88-1099

No. 88-

Supreme Court, U.S.
FILED
JAN 3 1989
JOSEPH F. SPANIOL, JR.
CLERK

In the Supreme Court
OF THE
United States

OCTOBER TERM, 1988

BV ENGINEERING,
Petitioner,
VS.
UNIVERSITY OF CALIFORNIA, LOS ANGELES,
(THE REGENTS OF THE UNIVERSITY OF CALIFORNIA)
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

MICHAEL A. LADRA
(Counsel of Record)
Two Palo Alto Square
Suite 900
Palo Alto, CA 94306
(415) 493-9300
Attorney for Petitioner

NINA F. LOCKER
LEO P. CUNNINGHAM
WILSON, SONSINI, GOODRICH & ROSATI
Of Counsel

BOWNE OF SAN FRANCISCO, INC. • 190 NINTH ST. • S.F., CA 94103 • (415) 864-2300

64 pp

QUESTION PRESENTED

Does the eleventh amendment bar copyright owners from suing in federal court for the recovery of damages against states who infringe their copyrights, even though Congress has made the federal courts the exclusive forum for actions under the Copyright Act of 1976 (17 U.S.C. §§ 101-810 and 28 U.S.C. § 1338(a))?

LIST OF PARTIES

The parties to the proceedings in the Central District of California and Ninth Circuit Court of Appeals were petitioner BV Engineering and respondent University of California, Los Angeles (The Regents of the University of California).

TABLE OF CONTENTS

	Page
Question presented	i
List of parties	ii
Opinions below	1
Jurisdiction	2
Constitutional and statutory provisions involved	2
Statement of the case	2
Reasons for granting writ	4
I. This Court has never addressed the applicability of eleventh amendment immunity to a claim for which exclusive jurisdiction rests in the federal courts and state law remedies have been preempted	4
II. The Ninth Circuit's decision raises important issues of national consequence which require resolution	6
III. The *Atascadero/Welch* rule for determining congressional intent to abrogate the states' eleventh amendment immunity does not apply to the Copyright Act of 1976	11
IV. The Copyright Act of 1976 unequivocally expresses congressional intent to abrogate the states' eleventh amendment immunity	15
Conclusion	22

TABLE OF AUTHORITIES

Cases

Page

Atascadero State Hospital v. Scanlon, 473 U.S. 234 (1985) ..... *passim*
BV Engineering v. University of California, Los Angeles, 858 F.2d 1394 (9th Cir. 1988) *aff'g* 657 F. Supp. 1246 (C.D. Cal. 1987) 1, 3
BV Engineering v. University of California, Los Angeles, 657 F. Supp. 1246, (C.D. Cal. 1987), *aff'd* 858 F.2d 1394 (9th Cir. 1988) 1, 3
Cablevision Systems Development Company v. Motion Picture Association of America, Inc., 836 F.2d 599 (D.C. Cir.), *cert. denied*, 108 S. Ct. 2901 (1988) 10
Cardinal Industries, Inc. v. Anderson Parrish Assocs., Inc., No. 83-1038-Civ.-T-13 (M.D. Fla. Sept. 6, 1985) (unreported), *aff'd without opinion*, 811 F.2d 609 (11th Cir.), *cert. denied sub nom.* Cardinal Industries, Inc. v. King, 108 S. Ct. 88 (1987) 6
DeSylva v. Ballantine, 351 U.S. 570 (1956) 10
Edelman, Director, Dept. of Public Aid of Illinois v. Jordan, 415 U.S. 651 (1974) 13
Employees v. Missouri Public Health Dept., 411 U.S. 279 (1973) 4, 5, 12, 13, 14, 15
Goldstein v. California, 412 U.S. 546 (1973) 14
Hutto v. Finney, 437 U.S. 678 (1978) 13, 18
Johnson v. University of Virginia, 606 F. Supp. 321 (W.D. Va. 1985) 10
Lane v. First Nat'l Bank of Boston, 687 F. Supp. 11 (D.C. Mass. 1988), *appeal pending*, No. 88-1815 (1st Cir. 1988) 6
Matter of McVey Trucking, Inc., 812 F.2d 311 (7th Cir.), *cert. denied sub nom.* Edgar v. McVey Trucking, 108 S. Ct. 227 (1987) 18
Mihalek Corp. v. Michigan, 595 F. Supp. 903 (E.D. Mich. 1984), *aff'd on other grounds*, 814 F.2d 290 (6th Cir. 1987), *cert. denied*, 108 S. Ct. 503 (1987) 6
Mills Music, Inc. v. Arizona, 591 F.2d 1278 (9th Cir. 1979) 3, 9, 10
Morton v. Ruiz, 415 U.S. 199 (1974) 10

TABLE OF AUTHORITIES

CASES

Page

Parden v. Terminal Railway, 377 U.S. 184 (1964) 4
Patsy v. Board of Regents, 457 U.S. 496 (1982) 16, 17
Patterson v. Lamb, 329 U.S. 539 (1947) 10
Pennhurst State School & Hospital v. Halderman, 465 U.S. 332 (1979) 12
Richard Anderson Photograph, Inc. v. Brown, 852 F.2d 114 (4th Cir. 1988), *cert. pending*, No. 88-651 .....6, 11, 12, 16, 17, 19
Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225 (1964) .. 7
United States v. Oregon State Medical Society, 343 U.S. 326 (1952) 7
United States v. Union Gas Co., 832 F.2d 1343 (3d Cir. 1987), *cert. denied sub nom.* Pennsylvania v. Union Gas Co., 108 S. Ct. 1219 (1988) 3
Welch v. Texas Dep't of Highways and Public Transp., 107 S. Ct. 2941 (1987) ..... *passim*
Woelffer v. Happy States of America, Inc., 626 F. Supp. 499 (N.D. Ill. 1985) 6

Statutes

17 U.S.C. § 110(2) 2, 18, 19
17 U.S.C. § 110(2)(iii) 19
17 U.S.C. § 110(6) 2, 18, 19
17 U.S.C. § 110(8) 2, 18
17 U.S.C. § 111(a)(2) 2
17 U.S.C. § 111(a)(4) 18
17 U.S.C. § 112(b) 2, 18
17 U.S.C. § 112(c) 2, 18
17 U.S.C. § 112(d) 2, 18
17 U.S.C. § 118(d)(3) 2, 18
17 U.S.C. § 301 21
17 U.S.C. § 301(a) 2, 5, 13
17 U.S.C. § 501 .....3, 15, 16
17 U.S.C. § 501(a) 2, 15
17 U.S.C. § 501(b) 2
17 U.S.C. § 504(a) 2

TABLE OF AUTHORITIES

STATUTES

	Page
17 U.S.C. § 601	17
17 U.S.C. § 601(a)	16
17 U.S.C. § 601(b)(3)	2, 16
17 U.S.C. § 602	17, 19
17 U.S.C. § 602(a)	16
17 U.S.C. § 602(a)(1)	2, 16, 17
28 U.S.C. § 1254(1)	2
28 U.S.C. § 1338(a)	2, 5, 7, 13, 21
28 U.S.C. § 1498	21
29 U.S.C. §§ 201-219	12
29 U.S.C. §§ 701 *et seq.*	12
42 U.S.C. § 1983	16
46 U.S.C. § 688	12

Constitution

U.S. Const. amend. XI	*passim*
U.S. Const. amend. XIV	12
U.S. Const. art. I, § 8, cl. 3 (Commerce Clause)	12
U.S. Const. art. I, § 8, cl. 8 (Copyright and Patent Clause)	2, 9, 12, 14
U.S. Const. art. I, § 8, cl. 18 (Necessary and Proper Clause)	12

Miscellaneous

52 Fed. Reg. 42,045 (November 2, 1987)	10
3 M. Nimmer & D. Nimmer, *Nimmer on Copyright* § 12.01[E] (1986)	10
64 Op. Att'y Gen. Cal. 186 (1981)	10
65 Op. Att'y Gen. Cal. 106 (1982)	10
71 Op. Att'y Gen. Cal. 16 (1988)	10
81 Slip. Op. Att'y Gen. Kan. 202 (1981)	10
82 Slip Op. Att'y Gen. La. 662 (1982)	10
82 Slip Op. Att'y Gen. Utah 3 (1982)	10
84 Slip Op. Att'y Gen. La. 436 (1985)	10
366 Inf. Op. Att'y Gen. Alaska 404 (1982)	10
1987 Copyright L. Rep. (CCH) § 26,240 (Ohio Attorney General)	10

TABLE OF AUTHORITIES

MISCELLANEOUS

Page

Copyright Law Revision: Preliminary Draft for Revised U.S. Copyright Law and Discussions and Comments on the Draft, House Comm. on the Judiciary, Part 3, 88th Cong., 2nd Sess. (1964) 20

Copyright Law Revision: Hearings on H.R. 2223, Subcomm. on Courts, Civil Liberties and the Admin. of Justice of the House Comm. on the Judiciary, 94th Cong., 1st Sess. (1975) 20

Copyright Law Revision: Hearings on H.R. 4347, H.R. 5680, H.R. 6831, H.R. 6835 Before Subcomm. No. 3 of the House Comm. on the Judiciary, 89th Cong., 1st Sess. (1965) 20

Copyright Law Revision: Hearings on S. 1361 before the Subcomm. on Patents, Trademarks and Copyrights of the Senate Comm. on the Judiciary, 93rd Cong., 1st Sess. (1973) 20

Copyright Law Revision: Hearings on S. 597 Before the Subcomm. on Patent, Trademarks and Copyrights of the Senate Comm. on the Judiciary, 90th Cong., 1st Sess. (1967) 19

H.R. Rep. No. 1476, 94th Cong., 2d Sess. 19

House Comm. on the Judiciary, *Copyright Law Revision*, "Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law," 87th Cong., 1st Sess. (Comm. Print July 1961) 19

Note, *The Applicability of the Eleventh Amendment Immunity Under the Copyright Acts of 1909 and 1976*, 36 Am. U.L. Rev. 163 (1986) 10, 13

Register of Copyrights, *Copyright Liability of States and the Eleventh Amendment* (1988) 8

No. 88-

In the Supreme Court

OF THE

United States

OCTOBER TERM, 1988

BV ENGINEERING,
Petitioner,
VS.
UNIVERSITY OF CALIFORNIA, LOS ANGELES,
(THE REGENTS OF THE UNIVERSITY OF CALIFORNIA)
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

Petitioner BV Engineering respectfully requests that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Ninth Circuit entered on October 3, 1988.

OPINIONS BELOW

The opinion of the United States Court of Appeals for the Ninth Circuit, affirming the District Court's Order granting summary judgment and barring BV Engineering's damage action for copyright infringement against the University of California, Los Angeles ("UCLA"), an instrumentality of the State of California, is reported at 858 F.2d 1394 (9th Cir. 1988) and is reprinted at pages A1 through A13 of the Appendix to this Petition. The opinion of the United States District Court for the Central District of California granting summary judgment for UCLA is reported at 657 F. Supp. 1246 and is reprinted at pages A14 through A23 of the Appendix to this Petition.

JURISDICTION

The judgment of the United States Court of Appeals for the Ninth Circuit was entered on October 3, 1988. Jurisdiction of this Court is invoked pursuant to 28 U.S.C. Section 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

This case involves article I, section 8, clause 8 (the "Copyright and Patent Clause") and the eleventh amendment of the Constitution of the United States.

This case also involves sections 501(a) and (b) and 504(a) of the Copyright Act of 1976 (17 U.S.C. §§ 501(a) and (b), 504(a)), granting copyright owners a damage remedy against "anyone" who infringes a copyright, 28 U.S.C. Section 1338(a), which provides that the federal district courts shall have exclusive jurisdiction in copyright cases, and 17 U.S.C. Section 301(a), which preempts state law causes of action that might allow aggrieved copyright owners to obtain damages in state court. Finally it involves sections 601(b)(3), 602(a)(1), 110(2), 110(6), 110(8), 111(a)(2), 112(b), 112(c), 112(d) and 118(d)(3) of Title 17, the Copyright Act of 1976, which exhibit Congress' intent to subject the States to suit for copyright infringement.

The texts of these provisions are set forth at pages A22 through A31 of the Appendix to this Petition.

STATEMENT OF THE CASE

BV Engineering creates and sells computer programs. In 1986, UCLA purchased one copy, and the accompanying user manuals, for each of seven programs sold by BV Engineering. Each of these programs contained a valid copyright notice and the copyright on each had been registered with the Copyright Office. Shortly after receiving these copyrighted works, UCLA made three copies of each program and ten copies of each user manual. The making of these copies was unauthorized and infringed BV Engineering's copyrights in the seven works.

In July, 1986, BV Engineering commenced this action against UCLA and asserted various claims including one for copyright infringement under section 501 of the Copyright Act of 1976, 17 U.S.C. § 501. The District Court dismissed with prejudice all claims other than the claim for copyright infringement. 858 F.2d at 1395 (App. at A3). On April 17, 1987, the District Court granted summary judgment for UCLA on the sole ground that the eleventh amendment barred BV Engineering's damage suit for copyright infringement against UCLA, an instrumentality of the State. *BV Engineering v. University of California, Los Angeles*, 657 F. Supp. 1246, 1247, 1250-51 (C.D. Cal. 1987). (App. at A15, A23.) The District Court concluded that *Mills Music, Inc. v. Arizona*, 591 F.2d 1278 (9th Cir. 1979), in which the Ninth Circuit held that Congress had abrogated the states' Eleventh Amendment immunity in the Copyright Act of 1909, was no longer controlling precedent in light of this Court's subsequent decision in *Atascadero State Hospital v. Scanlon*, 473 U.S. 234 (1985). *BV Engineering*, 657 F. Supp. at 1249-50. (App. at A23.)

On October 3, 1988, the Ninth Circuit affirmed the District Court's order granting summary judgment for UCLA. Assuming, without deciding, that Congress may abrogate the states' eleventh amendment immunity when acting under an article I power,[1] the Ninth Circuit held that Congress failed to exercise that power in the Copyright Act of 1976. In particular, the Ninth Circuit held that the Copyright Act of 1976 did not contain the "unequivocal and specific language" indicating a congressional intent to abrogate eleventh amendment immunity as required by *Atascadero State Hospital v. Scanlon*, 473 U.S. at 242, and *Welch v. Texas Dep't of Highways and Public Transp.*, 107 S. Ct. 2941, 2944-45

---

[1] The District Court concluded that Congress had the power to abrogate eleventh amendment immunity when legislating under the Copyright and Patent Clause of Article I of the Constitution. (657 F. Supp. at 1248; App. at A16-A18.) The issue of Congress' power to abrogate when legislating pursuant to the commerce clause of article I is currently before this Court for decision in *United States v. Union Gas Co.*, 832 F.2d 1343 (3d. Cir. 1987), *cert. granted sub nom. Pennsylvania v. Union Gas Co.*, 108 S. Ct. 1219 (1988), in which oral argument was heard on October 31, 1988.

(1987). (858 F.2d at 1397; App. at A8-A9.) Petitioner BV Engineering argued that a lesser showing of Congressional intent to abrogate eleventh amendment immunity should suffice for legislation with the characteristics of the Copyright Act of 1976 (*see* discussion, *infra*, at I.) Although the Ninth Circuit found that argument "compelling," the court felt constrained to apply the stricter standard enunciated in *Atascadero* and *Welch*. *Id.* The Court also rejected amici curiae's alternative argument that the State of California had waived its eleventh amendment immunity. (858 F.2d at 1398; App. at A9-A11).

REASONS FOR GRANTING WRIT

I

THIS COURT HAS NEVER ADDRESSED THE APPLICABILITY OF ELEVENTH AMENDMENT IMMUNITY TO A CLAIM FOR WHICH EXCLUSIVE JURISDICTION RESTS IN THE FEDERAL COURTS AND STATE LAW REMEDIES HAVE BEEN PREEMPTED

This Court has announced a stringent test for determining whether legislation abrogates eleventh amendment immunity; abrogation cannot be found unless the language of the statute makes the intent to abrogate "unmistakably clear." *Welch*, 107 S. Ct. at 2944-45; *Atascadero*, 473 U.S. at 242-43. However, as the Ninth Circuit recognized, this Court has never determined what the test for abrogation would be where the legislation vests exclusive jurisdiction in the federal courts. (858 F.2d at 1397; App. at A8).

In particular, this Court has never upheld eleventh amendment immunity to a claim for damages where Congress has vested exclusive jurisdiction over that claim in the federal courts and preempted comparable state remedies. In each case in which this Court has applied the strict construction/unequivocal expression test, a state forum existed in which plaintiff could obtain relief. *See, e.g., Welch*, 107 S. Ct. at 2953 n.19; *Atascadero*, 473 U.S. at 240 n.2; *Employees v. Missouri Public Health Dept.*, 411 U.S. 279, 287, 293-94 (1973); *Parden v. Terminal Railway*, 377 U.S. 184, 190 (1964). Indeed, in these cases, this Court has specifi-

cally noted that the effect of the eleventh amendment would be to preclude only the use of the federal forum—not to preclude the remedy entirely.

For example, in *Welch*, this Court recognized that the plaintiff was "not without remedy" because she could file a state law worker's compensation claim against the state in lieu of a Jones Act claim. *Welch*, 107 S. Ct. at 2953 n.19. Similarly, in *Atascadero*, this Court explained that immunity from suit in federal court under the Rehabilitation Act would not exempt the states from compliance with the law because they would still be subject to suit in state court. *Atascadero*, 473 U.S. at 240 n.2. In *Employees*, this Court noted that its holding did not render the Federal Labor Standards Act meaningless because the Secretary of Labor could sue the state employers in federal court and the state employees could themselves seek relief under the statute in state court. *Employees*, 411 U.S. at 287. Thus, the issue in the Court's previous eleventh amendment opinions has been "merely the susceptibility of the states to suit before *federal tribunals*," *Atascadero*, 473 U.S. at 420 n.2 (emphasis in original), and not whether the states would be entirely immune from a suit for damages.

The complete elimination of the copyright damage remedy against the states sets this case apart from all of this Court's previous eleventh amendment decisions. Congress provided that the federal courts shall have *exclusive* jurisdiction over copyright infringement suits. 28 U.S.C. § 1338(a). The Copyright Act, moreover, preempts all state laws that "are equivalent to any of the exclusive rights within the general scope of copyright." 17 U.S.C. § 301(a). Since an action in federal court is the exclusive method to obtain relief for copyright infringement, upholding the eleventh amendment bar eliminates *all* damage suits against infringing states. Thus, the choice in this case is not between the federal forum and the state forum—but rather it is between the federal forum and *no* forum. For this reason, the Copyright Act stands in sharp contrast to the statutes this Court considered in the cases in which it has enunciated the strict construction/unequivocal expression rule.

Certiorari should be granted to address the issue of eleventh amendment immunity from a claim authorized by federal legislation, such as the Copyright Act, where exclusive jurisdiction rests in the federal courts. This is an important constitutional question of first impression. In addition, in the absence of an early and definitive ruling by this Court, the decision of the Ninth Circuit will have an immediate and drastic impact on the interests of hundreds of thousands of copyright proprietors whose livelihood depends on the effective enforcement of the copyright laws, as well as the fifty states and their affiliated institutions.

II

THE NINTH CIRCUIT'S DECISION RAISES IMPORTANT ISSUES OF NATIONAL CONSEQUENCE WHICH REQUIRE RESOLUTION

After this Court's decision in *Atascadero*, 473 U.S. 234, an increasing number of courts have been dismissing copyright damage actions against states and their agencies on the ground that the eleventh amendment bars such actions.[2] These decisions, as well as the decision below, eliminate the only effective remedy for copyright infringement. Although injunctive relief is still available, that relief alone is not adequate. Unlike damages,

---

[2] The eleventh amendment bar to a copyright claim has also been upheld in the following cases: *Lane v. First Nat'l Bank of Boston*, 687 F. Supp. 11 (D.C. Mass. 1988), *appeal pending*, No. 88-1815 (1st Cir. 1988) (use of copyrighted computer program); *Richard Anderson Photography, Inc. v. Brown*, 852 F.2d 114 (4th Cir. 1988), *cert. pending*, No. 88-651, (use of copyrighted photographs in university publications); *Woelffer v. Happy States of America, Inc.*, 626 F. Supp. 499 (N.D. Ill. 1985) (use of copyrighted slogan in advertising campaign); *Cardinal Industries, Inc. v. Anderson Parrish Assocs., Inc.*, No. 83-1038- Civ.-T-13 (M.D. Fla. Sept. 6, 1985) (unreported), *aff'd without opinion*, 811 F.2d 609 (11th Cir. 1987) (use of copyrighted architectural drawings in dormitory construction), *cert. denied sub nom. Cardinal Industries, Inc. v. King*, 108 S. Ct. 88 (1987); *Mihalek Corp. v. Michigan*, 595 F. Supp. 903 (E.D. Mich. 1984), *aff'd on other grounds*, 814 F.2d 290 (6th Cir.), *cert. denied*, 108 S. Ct. 503 (1987) (use of copyrighted material in state tourism campaign).

injunctions do not deter copyright infringement. By their nature, injunctions merely "forestall future violations." *United States v. Oregon State Medical Society*, 343 U.S. 326, 333 (1952). In addition, injunctions do not compensate aggrieved copyright owners for past infringements or for markets that have been substantially eroded, if not destroyed. Indeed, in most instances, injunctive relief is illusory. For example, the life span of much of today's music, video games and computer programs is limited; by the time an unauthorized use is discovered and an injunction is obtained, the works have lost their value and enjoining future use is of little consequence. Moreover, for most copyright owners, the cost of injunctive relief is prohibitive since there is no opportunity to collect damages for past infringement or costs and attorneys' fees. Thus, as the Ninth Circuit recognized, leaving copyright owners with the imperfect remedy of injunctions allows "states to violate the federal copyright laws with virtual impunity." (858 F.2d at 1400; App. at A13).

The impact on copyright owners is alarming.[3] States and their hundreds of instrumentalities and agencies are prodigious users of copyrighted works. From textbooks and training manuals to films, photographs, records and songs, videos and computer software, copyrighted works play an integral role in the states' performance of their educational, health care, law enforcement and administrative functions.

Nevertheless, the decision of the Ninth Circuit allows the states and their affiliated institutions to appropriate these creative and scientific works without permission, without payment and without any motivation to comply with the copyright laws. For example, if allowed to stand, the decision of the Ninth Circuit would permit a state university to purchase one copy of a computer program and provide unlimited copies to each of its

---

[3] Indeed, the Ninth Circuit's decision jeopardizes the rights of all who make their living from intellectual property, including patent proprietors. Federal jurisdiction over patent cases is exclusive, 28 U.S.C. § 1338(a), and all similar state law is preempted. *See, e.g., Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 229 (1964). Thus, as in the copyright area, the eleventh amendment bar eliminates all patent damage suits entirely.

students. Such an outcome would be financially devastating to authors of copyrighted works and threatens the future of emerging intellectual property industries.[4] As the Register of Copyrights recognized in a recent report to Congress on this issue, "copyright proprietors have demonstrated they will suffer immediate harm if they are unable to sue infringing states in federal court." Register of Copyrights, Copyright Liability of States and the Eleventh Amendment (June 1988) (hereinafter "Copyright Office Report"), at 103. In addition, because the elimination of the damage

---

[4] The widespread concern among copyright owners is demonstrated by the fact that, in response to a request by the Copyright Office for comments on the issue of eleventh amendment immunity and the Copyright Act, comments were submitted by each of the following:

Congressional Information Service, Inc.; National Federation of Abstracting & Information Services; The Foundation Press, Inc.; Dun & Bradstreet, Inc; Newsletter Association; Intellectual Property Owners, Inc.; Data Retrieval Corporation; McGraw-Hill Inc.; Association of American Publishers, Inc. and Association of American University Presses, Inc; Harcourt Brace Jovanovich, Inc. (Peter Jovanovich); Cambridge Scientific Abstracts; Lotus Development Corporation; Motion Picture Assoc. of America, Inc.; Harcourt Brace Jovanovich, Inc. (Richard Udell), addenda: (a) Holt, Rinehart and Winston, Inc. School Division (Bob Blevins), (b) The Psychological Corporation, (c) Academic Press, Inc. (Stephen A. Dowling), (d) Academic Press, Inc. (David Swanson), (e) Harcourt Brace Jovanovich (Bill M. Barnett); Broadcast Music, Inc.; West Publishing Company; The National Music Publishers' Association, Inc.; The Music Publishers' Association of the United States, Inc. and The Songwriters Guild of America; Houghton Mifflin Company; American Society of Composers, Authors and Publishers; Inmagic, Inc.; Dialog Information Services, Inc.; American Journal of Nursing Company; Information Industry Association; International Business Machines Corporation; F&W Publications, Inc.; American Intellectual Property Law Association; Heesch & Kelly; Holt, Rinehart and Winston, Inc. (David Dusthimer); DataTimes; ADAPSO, The Computer Software and Services Industry Association; Massachusetts Computer Software Council; VU/Text Information Services, Inc.; National Association of Broadcasters; SESAC, Inc. (Eugene L. Girden).

See Register of Copyrights, *Copyright Liability of States and the Eleventh Amendment* (1988), at 7-17.

remedy significantly diminishes the value of copyrights, it necessarily diminishes the economic incentive of copyright proprietors to create. Indeed, in those intellectual property industries, such as the educational publishing industry, that depend heavily upon the patronage of states and their agencies, there will be little, if any, economic incentive to create.

If allowed to stand, the Ninth Circuit's decision will also adversely impact the fifty states and their affiliated institutions. With the fear of widespread copying of their works, copyright owners will be reluctant to market to states and their agencies. At best, they will closely monitor their sales to the states. Moreover, the judicially sanctioned subsidy to state entities will likely raise prices for copyrighted works for both the states and other users.

The Ninth Circuit's decision is particularly troubling since it upsets the widespread expectation of copyright owners that states are subject to copyright damage suits. In particular, the decision is at odds with the Ninth Circuit's previous ruling in *Mills Music*, 591 F.2d 1278 (9th Cir. 1979). In that case, the Ninth Circuit concluded that abrogation of a states' eleventh amendment immunity is inherent in the Copyright and Patent Clause and the Copyright Act:

> [A] state may not, consistent with the Constitution, infringe the federally protected rights of the copyright holder, and thereafter avoid the federal system of statutory protections. The "exclusive Rights" of an author, guaranteed under the Constitution and Copyright Act, would surely be illusory were a state permitted to appropriate with impunity the rights of a lawful copyright holder. Accordingly, we conclude that the Eleventh Amendment's sovereign immunity does not permit a state to nullify the rights reserved and protected by Congress, acting pursuant to the Copyright and Patent Clause.

591 F.2d at 1286.

Although the Ninth Circuit has now concluded that *Mills Music* has been "overruled *sub silentio*" by this Court's decisions in *Atascadero* and *Welch*, (858 F.2d at 1398 n.1; App. at A9), the ruling in *Mills Music* has been applied elsewhere, *see, e.g.*,

Johnson v. University of Virginia, 606 F. Supp. 321, 323-24 (W.D. Va. 1985), and has been endorsed by the commentators. *See, e.g.*, 3 M. Nimmer & D. Nimmer, *Nimmer on Copyright* § 12.01[E], at 12-21 (1986) ("The better view was expressed in *Mills Music* . . . , which squarely held that a state is not exempt from liability under the Copyright Act by reason of the Eleventh Amendment"); Note, *The Applicability of the Eleventh Amendment Immunity Under the Copyright Acts of 1909 and 1976*, 36 Am. U.L. Rev. 163, 183 (1986) ("the analysis in *Mills Music* . . . represent[s] a closer reading of the statutory language and intent, and [is] more consistent with the goals of copyright.").

Moreover, until recently, states have assumed that they are subject to suit and liable for damages under the Copyright Act. A number of state Attorneys General have advised state agencies that they are liable under the federal copyright statute.[5] As the Register of Copyrights recognized, states have "traditionally recognized the rights of copyright owners and have paid royalties for their use of copyrighted works." 52 Fed. Reg. 42,045 (November 2, 1987).

Finally, the Ninth Circuit's decision in this action is directly at odds with the conclusion of the Copyright Office, which has concluded that "Congress intended to hold states responsible under the Federal Copyright Law." *See* Copyright Office Report at 103. Because this Court ordinarily defers to the Copyright Office in matters relating to the interpretation of the Copyright Act, *DeSylva v. Ballantine*, 351 U.S. 570, 577-78 (1956); *see also Cablevision Systems Development Company v. Motion Picture Association of America, Inc.*, 836 F.2d 599, 609-10 (D.C. Cir.), *cert. denied*, 108 S. Ct. 2901 (1988), the decision below assumes even greater importance. *See Morton v. Ruiz*, 415 U.S. 199, 201-02 (1974); *Patterson v. Lamb*, 329 U.S. 539, 541 (1947).

---

[5] *See, e.g.*, 366 Inf. Op. Att'y Gen. Alaska 404 (1982); 71 Op. Att'y Gen. Cal. 16 (1988); 65 Op. Att'y Gen. Cal. 106 (1982); 64 Op. Att'y Gen. Cal. 186 (1981); 81 Slip Op. Att'y Gen. Kan. 202 (1981); 84 Slip Op. Att'y Gen. La. 436 (1985); 82 Slip Op. Att'y Gen. La. 662 (1982); 1987 Copyright L. Rep. (CCH) § 26,240 (Ohio Attorney General); 82 Slip Op. Att'y Gen. Utah 3 (1982).

Consideration by this Court of the states' immunity to damage actions under the Copyright Act is essential. The precedent set by the Ninth Circuit's decision, as well as similar recent decisions elsewhere, jeopardizes the rights of hundreds of thousands of copyright proprietors.[6] In addition, it upsets the widespread expectation of copyright owners based upon previous judicial authority, and it is at odds with conclusion of numerous state Attorneys General and the Copyright Office.

III

THE *ATASCADERO/WELCH* RULE FOR DETERMINING CONGRESSIONAL INTENT TO ABROGATE THE STATES' ELEVENTH AMENDMENT IMMUNITY DOES NOT APPLY TO THE COPYRIGHT ACT OF 1976[7]

The Copyright Act is different from the legislation reviewed in this Court's eleventh amendment opinions in which the strict

---

[6] The importance of the issue presented by this petition is shown by the fact that briefs were filed in the Ninth Circuit, and in the Fourth Circuit with respect to the *Richard Anderson Photography, Inc. v. Brown* case, by the following *amici curiae*: American Intellectual Property Law Association; American Society of Composers, Authors and Publishers; Association of American Publishers; Association of American University Presses, Inc.; Broadcast Music, Inc.; Information Industry Association; Music Publishers' Association of the United States, Inc.; National Music Publishers' Association, Inc.; and Songwriters Guild of America.

[7] The Petition for Certiorari which has been filed with respect to the Fourth Circuit's opinion in *Richard Anderson Photography, Inc. v. Brown*, 852 F.2d 114 (4th Cir. 1988), presents the same question as does the present Petition. Petition for a Writ of Certiorari to the United States Court of Appeals for the Fourth Circuit, No. 88-651. However, the *Richard Anderson* court did not address the distinction between the Copyright Act and the statutes involved in this Court's previous eleventh amendment opinions. Similarly, the Fourth Circuit never considered the argument that the *Atascadero/Welch* strict scrutiny standard does not apply to the Copyright Act, presumably because it was not raised by the petitioner below. Thus, this Petition raises an important and novel issue that is not raised in the Petition in *Richard Anderson*. For this reason,

construction/unequivocal expression rule was applied. Unlike the other legislation, the Copyright Act was enacted pursuant to a limited grant of authority, the Copyright and Patent Clause. In addition, subjecting states to damage suits under the Copyright Act does not implicate either the balance of power between the jurisdiction of state and federal courts or the fiscal policy behind the eleventh amendment. These distinctions compel the conclusion that a less specific showing of congressional intent to abrogate eleventh amendment immunity than that required by *Atascadero* and *Welch* should suffice to find such abrogation in the Copyright Act.

The statutes reviewed in the cases in which this Court has required strict construction when assessing congressional intent to abrogate were enacted pursuant to broad grants of congressional power. *See Atascadero*, 473 U.S. at 245 (Rehabilitation Act of 1973, 29 U.S.C. §§ 701 *et seq.*, enacted pursuant to section five of the fourteenth amendment); *Welch*, 107 S. Ct. at 2947 & n.5 (Jones Act, 46 U.S.C. § 688, enacted pursuant to either the commerce clause or necessary and proper clause); *Pennhurst State School & Hospital v. Halderman*, 465 U.S. 332, 345 (1979) (42 U.S.C. Section 1983 enacted pursuant to the fourteenth amendment); *Employees*, 411 U.S. at 285 (Fair Labor Standards Act, 29 U.S.C. §§ 201-219, enacted pursuant to the commerce clause). The stringent test for determining Congressional intent serves to prevent such legislation from growing to "vast proportions in its applications." *See Employees*, 411 U.S. at 285. In contrast, the Copyright Act was enacted pursuant to a specific and narrow grant of Constitutional power, the Copyright and Patent Clause. That clause gives Congress the power "to promote the Progress of Science and Useful Arts by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries. . . ." U.S. Const. art. I, § 8, cl. 8. Since this is an explicit and narrow mandate to Congress to provide authors with a monopoly for their works, there is little risk of unchecked growth; the clause is inherently limited. Accordingly, the rationale for the rule of strict construction does not

---

certiorari should be granted in the instant case even if this Court grants review in *Richard Anderson*.

obtain and a lesser showing of Congressional intent should suffice to find abrogation of eleventh amendment immunity in legislation enacted pursuant to the Patent and Copyright Clause.

In addition, the policies behind the eleventh amendment are not implicated in this case. Behind the eleventh amendment is a concern for maintaining a balance of power between state and federal courts. *Atascadero*, 473 U.S. at 242; *see also Employees*, 411 U.S. at 285. In determining whether the states' immunity has been abrogated, the federal courts themselves decide "whether their own jurisdiction has been expanded." *Id.* As the Ninth Circuit recognized, "a holding that Congress has abrogated immunity in the Copyright Act could not expand the jurisdiction of the federal courts" because the federal courts already have exclusive jurisdiction over copyright actions, 28 U.S.C. § 1338(a), and all equivalent state law is preempted. 17 U.S.C. § 301(a). 858 F.2d at 1400. (App. at A13.) Thus, the threat of federal encroachment on state authority, which is the major rationale for *Atascadero*'s strict standard of scrutiny, is absent in copyright cases. Accordingly, a federal court need not be reluctant to find congressional intent to abrogate the states' immunity in the Copyright Act. *See* Note, *The Applicability of Eleventh Amendment Immunity Under The Copyright Acts of 1909 and 1976*, 36 Am. U.L. Rev. 163, 187-88 (1986).

Another policy behind the eleventh amendment is to protect states from new or enormous financial burden. *Employees*, 411 U.S. at 284-85; *Hutto v. Finney*, 437 U.S. 678, 708 (1978) (Powell, J. dissenting); *Edelman, Director, Dept. of Public Aid of Illinois v. Jordan*, 415 U.S. 651, 666-68 (1974). Since states are not required to use copyrights—and are certainly not required to infringe copyrights—subjecting them to monetary damages for infringement should create no burden whatsoever. Moreover, states have no compelling governmental need to infringe copyrights; on those occasions when states must use protected works, they need only pay royalties or licensing fees—as private persons, corporations, cities and counties, and the United States would be obliged to do in similar circumstances. Thus, as the Ninth Circuit recognized, the states can avoid the fiscal burden of damage

actions "simply by complying with the federal copyright laws." 858 F.2d at 1400. (App. at A12.)

There is no justification for applying a strict standard of scrutiny when assessing congressional intent to abrogate, where, as here, the policies behind the eleventh amendment are not implicated. Moreover, immunizing the states from damage suits for copyright infringement threatens to undermine the constitutional and statutory scheme governing copyright law. By ratifying the Patent and Copyright Clause, the states relinquished their sovereign power in the area of copyrights and patents. *Cf. Employees*, 411 U.S. at 288-89 (Marshall J., concurring). As drafted by the Framers, the Copyright and Patent Clause envisioned *exclusive* rights which even the states cannot infringe. *See* U.S. Const. art. I, § 8, cl.8. In *Goldstein v. California*, 412 U.S. 546 (1973), this Court recognized the limited monopoly granted by Congress to copyright owners was an exclusive right that even the states cannot infringe:

> When Congress grants an exclusive right or monopoly, its effects are pervasive; *no citizen or State* may escape its reach.

Id. at 560 (emphasis added). If, however, as the Ninth Circuit held, states are immune from copyright damage suits, they *have* indeed "escaped [the] reach" of the exclusive copyright monopoly. The Ninth Circuit's decision undermines the monopoly that the Constitution explicitly authorized Congress to grant to authors for their works.

By applying the *Atascadero/Welch* strict standard of scrutiny, the Ninth Circuit has permitted the states to raise the eleventh amendment as a bar to federal court jurisdiction where the federal court is the only available forum to vindicate a federally created right. As stated above, this Court's previous eleventh amendment opinions do not mandate such a result: the heightened standard of scrutiny to ascertain congressional intent to abrogate does not apply to the Copyright Act. However, even if the heightened standard of scrutiny is applied, Congress did express unequivocally in the Copyright Act its intent to abrogate state immunity.

IV

THE COPYRIGHT ACT OF 1976 UNEQUIVOCALLY EXPRESSES CONGRESSIONAL INTENT TO ABROGATE THE STATES' ELEVENTH AMENDMENT IMMUNITY

Even if the strict scrutiny test of *Atascadero* and *Welch* were applicable to the Copyright Act, congressional intent to subject states to federal court jurisdiction in copyright infringement cases is unequivocal and unmistakably clear. The Ninth Circuit's conclusion to the contrary cannot be reconciled with the statutory authorization for suit against "anyone" who infringes copyrights, the specific statutory exemptions for state activities, the extensive legislative history that focused on the issue of state liability for infringement, and the fact that Congress preempted equivalent state rights and made jurisdiction for infringement actions exclusive to the federal courts.

Section 501 of the Copyright Act of 1976 provides a cause of action for infringement against "[a]nyone who violates the exclusive rights of the copyright owner." 17 U.S.C. § 501(a). The Ninth Circuit concluded that this general authorization for suit in federal court is not the kind of unequivocal statutory language sufficient to abrogate the Eleventh Amendment. 858 F.2d at 1398. (App. at A10.)[8] However, unlike the statutes involved in this Court's previous eleventh amendment opinions,[9] the Copy-

---

[8] Use of the term "anyone" in the Copyright Act of 1976 is, at a minimum, indicia of Congress' intent to include states within the class of defendants subject to suit. The 1909 Act used the term "any person." Since the term "anyone" is broader, the change in terminology is an indication of congressional intent to broaden the class of potential defendants to include states.

[9] In those cases in which this Court upheld the eleventh amendment immunity bar, congressional intent to abrogate in the scrutinized legislation could only be inferred from the general authorization for suit in federal court. *See, e.g., Welch*, 107 S. Ct. at 2944 (provision in Jones Act extending protection to "any seaman"); *Atascadero*, 473 U.S. at 245-46 (Section 505 of the Rehabilitation Act providing remedies for violations by "any recipient of Federal Assistance"); *see also Employees*, 411 U.S. at 285.

right Act of 1976 contains at least eight provisions that specifically exempt states from liability for copyright infringement when they undertake specified activities. These exemption provisions express in unmistakable language congressional intent to bring the states within the reach of the Copyright Act and to render them liable as infringers in the same manner as all infringers. The Ninth Circuit's dismissal of these provisions as "ambiguous" and "subject to more than one reasonable interpretation" (858 F.2d at 1399; App. at A11) is seriously flawed.[10]

Two provisions of the Copyright Act of 1976 refer explicitly to states. Section 602(a) provides that importation of copies or phonorecords of a copyrighted work constitutes an infringement actionable under Section 501. 17 U.S.C. § 602(a). Subsection (1) exempts from this provision the "importation . . . under the authority of or for the use of . . . any "*State or political subdivision of a state*," but not including "copies or phonorecords for use in schools, or copies of any audiovisual work imported for purposes of other than archival use." 17 U.S.C. § 602(a)(1) (emphasis added).

Similarly, prior to July 1, 1986, Section 601(a) prohibited the importation of certain foreign-produced materials. Section 601(b)(3) provided an exemption "where importation is sought under the authority of or for the use, other than in schools, of *any State or political subdivision of a State*." 17 U.S.C. § 601(b)(3) (emphasis added). The enactment of these specific exemptions proves that Congress intended that the states be liable for otherwise infringing activities under the Copyright Act. Unless states were generally liable, there was no reason for Congress to provide exemptions for certain state activities. In *Patsy v. Board of Regents*, 457 U.S. 496 (1982), this Court employed similar reasoning to hold that exhaustion of state administrative remedies is not a general prerequisite to suit under 42 U.S.C. Section 1983. In *Patsy*, this Court reasoned that a separate and later statute

---

[10] The Ninth Circuit correctly concluded, as did the Fourth Circuit in *Richard Anderson Photography*, 852 F.2d at 118, that the "inquiry . . . must consider . . . the statutes as a whole." 858 F.2d at 1398. (App. at A10.)

which created a "specific, limited exhaustion requirement for adult prisoners" (457 U.S. at 508), "make[s] sense, and [is] not superfluous," only if Congress intended that there be no general requirement of administrative exhaustion. *Patsy*, 457 U.S. at 512. Similarly, the exemptions in the Copyright Act for state activity "make sense, and are not superfluous," only if Congress intended to abrogate state immunity and subject states to suit for copyright infringement in all circumstances not covered by the exemptions.

Despite the unequivocal language in Sections 601 and 602, the Ninth Circuit held that they were "subject to more than one reasonable interpretation." The Ninth Circuit held that these provisions could be read, as the Fourth Circuit had in *Richard Anderson*, as "exempting from liability only those private persons or public officials acting in their individual capacity who import copyright materials under governmental authority or for governmental use." 858 F.2d at 1399 (App. at A11); *see also Richard Anderson*, 852 F.2d at 120.

In his dissenting opinion in *Richard Anderson*, Judge Boyle made short shrift of that proposed interpretation:

> This restrictive interpretation, however, produces an anomalous result; state governments are immune under the eleventh amendment, state officials are immune under § 602, local governments are not immune at all, and local officials are immune under § 602. This crazy quilt of liability and immunity cannot be what Congress intended.
>
> A more logical and natural interpretation of § 602 is that it exempts federal, state and local governments and their officials acting in their official capacity. Officials acting in their official capacity are exempted by the language reading "under the authority . . . of . . . ." in § 602(a)(1). The governments, federal, state and local, are exempted by the language reading "for the use of . . . ."

852 F.2d at 127 (Boyle, J. dissenting).

Other provisions of the Copyright Act that carve out specific exemptions for state activities use the term "governmental bodies." In particular, eight sections of the Act exempt "governmen-

tal bodies" from liability for certain clearly enunciated activities that would otherwise subject them to a suit for infringement. *See* 17 U.S.C. §§ 110(2), (6) and (8), 111(a)(4), 112(b), (c) and (d), and 118(d)(3). If Congress had intended the states to be immune from suit for every kind of infringement, then the carefully worded—and in some cases extensively debated—exemptions would have been nonsensical. Nevertheless, the Ninth Circuit held that the term "governmental bodies" was "ambiguous" and could be read, as the Fourth Circuit did in *Richard Anderson*, as "applicable only to local governments or to actions by governmental officials." 858 F.2d at 1399 (App. at A12); *see also Richard Anderson*, 852 F.2d at 119.

The crabbed reading of the phrase "governmental bodies" by the Ninth Circuit cannot be reconciled with the whole text of the Copyright Act or the extensive legislative history of the Act. In accepting the Fourth Circuit's proposed interpretation of the term "governmental bodies," the Ninth Circuit read the exemptions as if they existed in a vacuum.[11] As Judge Boyle explained in his dissent in *Richard Anderson*, several parts of the Act make clear

---

[11] The Ninth Circuit seems to have ignored its own directive that "in interpreting a statute [the Court] must consider each provision in the context of the statute as a whole." 858 F.2d at 1398 (App. at A10). Indeed, in *Hutto v. Finney*, 437 U.S. 678, 694 (1978), this Court concluded that language less precise than that of the Copyright Act of 1976 adequately expressed Congressional intent to abrogate Eleventh Amendment immunity when the legislative history revealed that Congress considered the question and intended to include States. The Seventh Circuit reached the same conclusion about the bankruptcy laws in *Matter of McVey Trucking, Inc.*, 812 F.2d 311 (7th Cir.) *cert. denied sub nom. Edgar v. McVey Trucking*, 108 S. Ct. 227 (1987) after examining the full text of the statute as well as its legislative history. Indeed, if the canon of construction in *Atascadero* prevented a federal court from allowing claims against the state in situations where all the circumstances suggest that Congress intended such a claim, the canon of construction would itself be unconstitutional. A court is obliged to implement the plain intent of Congress, regardless of how that intent is conveyed, as part of the fundamental constitutional balance between the legislature and the judiciary. *See Matter of McVey Trucking, Inc.*, 812 F.2d at 325.

that the term "governmental bodies" refers to governmental entities, and not merely to their officials or employees. In particular, Section 110(2) exempts from liability the transmission of a performance or display of nondramatic literary or musical works if the recipients are "officers or employees of governmental bodies." 17 U.S.C. § 110(2)(iii). Thus, Congress knew how to limit an exemption to "officers or employees of governmental bodies" when it intended to do so. *Richard Anderson*, 852 F.2d at 128. In addition, the text of Section 110(6), the so-called "state fair exemption," makes clear that the exemption from liability extends only to governmental entities and not to their officials or employees. 17 U.S.C. § 110(6).

Moreover, the legislative history of the Copyright Act leaves no doubt that the phrase "governmental bodies" was intended by Congress to include states. For example, in discussing the exemption of Section 602 which includes "*any State or political subdivision of a State* . . ." (17 U.S.C. § 602; emphasis added), the House Report paraphrases that language as "*governmental body*." H.R. Rep. No. 1476, 94th Cong., 2d Sess. at 169-170 (emphasis added); *see also* House Comm. on the Judiciary, *Copyright Law Revision*, "Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law," 87th Cong., 1st Sess. at 129 (Comm. Print July 1961) (expressly noting that the law contained "nothing to prevent governmental bodies, *at least of the States* from securing copyrights. . . ." Emphasis added.).

The legislative history of the Copyright Act of 1976 also abounds with instances in which Congress meticulously examined the extent to which states used copyrighted works and the limited instances in which states should be exempt from liability. For example, there was lengthy debate regarding the use of copyrighted music at state fairs and whether that use should be covered by a specific exemption in the Act.[12] Similarly, there was

---

[12] *Copyright Law Revision: Hearings on S. 597 Before the Subcomm. on Patent, Trademarks and Copyrights of the Senate Comm. on the Judiciary*, 90th Cong., 1st Sess. at 31, (1967) (letter of Sen. Frank J. Lausche); *Id.* at 625 (statement of William B. Hartsfield, President Southeastern Fair Ass'n); *Id.* at 632-36 (statement of William T.

extensive testimony regarding the request for an exemption permitting limited uses of copyrighted materials by libraries and by public radio and television stations, including those owned by state institutions.[13] During these extensive debates, no one questioned that state instrumentalities would otherwise be liable for infringement under the Act in the absence of these exemptions.

Finally, the statutory scheme of the Copyright Act also evidences Congress' intent to include states within the class of defendants amenable to suit for copyright infringement. Section 106 grants to copyright owners exclusive rights subject to carefully crafted exemptions. The Copyright Act preempts all state

---

Collins, President, Outdoor Amusement Business Ass'n, Inc.); *Id.* at 1337 (letter from Sen. Jennings Randolph); *Id.* at 1338 (letter from C. T. Sydenstricker, Secretary-Manager, State Fair of West Virginia).

[13] *Copyright Law Revision: Hearings on H.R. 4347, H.R. 5680, H.R. 6831, H.R. 6835 Before Subcomm. No. 3 of the House Comm. on the Judiciary*, 89th Cong., 1st Sess. at 459-64 (1965) (statement of Dr. Charles F. Gosnell, Chairman, Comm. on Copyright Issues, Am. Library Ass'n); *Copyright Law Revision: Hearings on S. 1361 before the Subcomm. on Patents, Trademarks and Copyrights of the Senate Comm. on the Judiciary*, 93rd Cong., 1st Sess. at 97-98 (1973) (statement of Stephen A. McCarthy, Exec. Dir., Ass'n of Research Libraries); *Id.* at 100- 01 (statement of Dr. Edmon Low, Chairman, Copyright Subcomm. of Am. Library Ass'n; *Copyright Law Revision: Hearings on H.R. 2223, Subcomm. on Courts, Civil Liberties and the Admin. of Justice of the House Comm. on the Judiciary*, 94th Cong., 1st Sess. at 213 (1975) (statement of Frank McKenna, Exec. Director, Special Libraries Ass'n).

See also Copyright Law Revision, Preliminary Draft for Revised U.S. Copyright Law and Discussions and Comments on the Draft, House Comm. on the Judiciary, Part 3, 88th Cong., 2nd Sess. at 144-46 (1964) (statement of Eugene N. Aleinikoff, General Counsel, Nat. Educ. Television and Radio Center); *Copyright Law Revision: Hearings on S. 597 Before the Subcomm. on Patent, Trademarks and Copyrights of the Senate Comm. on the Judiciary*, 90th Cong., 1st Sess. at 991-96 (1967) (statement of Edwin G. Cohen, Exec. Dir., Nat'l Center for School and College Television); *Id.* at 1003-1022 (statement of Chalmers H. Marquis, Exec. Dir., Educ. Television Stations, Nat'l Ass'n of Educ. Broadcasters).

laws that might provide equivalent relief, 17 U.S.C. § 301, and Congress has closed the state courts to enforcement of copyrights by placing exclusive jurisdiction in the federal court. 28 U.S.C. § 1338(a). The federal government is liable for infringement under the Copyright Act, 28 U.S.C. § 1498, and the Copyright Act permits the states themselves to obtain copyright protection. Given the pervasiveness of the statutory scheme protecting copyrights, it is inconceivable that Congress intended to leave claimants without a meaningful remedy against as large a class of potential infringers as the states and their agencies.

Thus, the statutory authorization for suit against "anyone" who infringes copyrights, the specific exemptions for state activities, the extensive legislative history, as well as the grant of exclusive federal court jurisdiction and broad preemption, make clear that Congress intended to create a cause of action in the Copyright Act against the states for infringement. This Court should grant certiorari to make it clear that *Atascadero* and *Welch* do not mandate the opposite conclusion reached by the Ninth Circuit.

CONCLUSION

For the foregoing reasons, a writ of certiorari should issue.

Dated: December 30, 1988

Respectfully submitted,

By MICHAEL A. LADRA
(Counsel of Record)
WILSON, SONSINI, GOODRICH
& ROSATI
Two Palo Alto Square
Suite 900
Palo Alto, CA 94306
(415) 493-9300

Attorney for Petitioner

NINA F. LOCKER
LEO P. CUNNINGHAM
WILSON, SONSINI, GOODRICH & ROSATI
Two Palo Alto Square
Suite 900
Palo Alto, CA 94306
(415) 493-9300

Of Counsel

Appendix A

FOR PUBLICATION

UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

BV ENGINEERING, *Plaintiff-Appellant,* v. UNIVERSITY OF CALIFORNIA, LOS ANGELES, *Defendant-Appellee.*	No. 87-5920 D.C. No. CV-86-4708-HLH OPINION

Appeal from the United States District Court
for the Central District of California
Harry L. Hupp, District Judge, Presiding

Argued and Submitted
March 8, 1988—Pasadena, California

Filed October 3, 1988

Before: Harry Pregerson, Charles Wiggins and
Melvin Brunetti, Circuit Judges.

Opinion by Judge Pregerson

SUMMARY

Copyright, Patent and Trademark/State Government

The court affirmed the district court's order granting summary judgment barring this copyright infringement action against the University of California under the eleventh amendment.

BV Engineering commenced an action for copyright infringement under § 501 of the Copyright Act of 1976, 17 U.S.C. §§ 101-810 against the University of California, Los Angeles. The district court granted summary judgment for the University because the eleventh amendment barred BV's copyright infringement action against the University, which is considered to be an instrumentality of the state of California and enjoys the same immunity as California.

[1] The United States Supreme Court has reserved judgment on the question whether Congress intended to abrogate the states' eleventh amendment immunity under the Copyright Act of 1976. [2] Because the issue is pending before the Supreme Court, this court declined to reach it. However, the court assumed, without deciding, that Congress failed to abrogate the states' eleventh amendment immunity when acting under the Copyright Act of 1976. [3] The court concluded that § 501 of the Copyright Act did not indicate a Congressional intent to subject unconsenting states to suit for damages in federal court. [4] The court would require unequivocal and specific language in the Copyright Act indicating an intent to subject states to suit in federal court.

COUNSEL

Michael A. Ladra, Nina F. Locker, Leo P. Cunningham, Wilson, Sonsini, Goodrich & Rosati, Palo Alto, California, for the plaintiff-appellant.

James E. Holst, George L. Marchand, Allen B. Wagner, University of California, Berkeley, California, for the defendant-appellee.

Peter L. Felcher, Steven B. Rosenfeld, Marjorie L. Van Dercook, Paul, Weiss, Rifkind, Wharton & Garrison, New York, New York; Shirley M. Hufstedler, Hufstedler, Miller, Carlson

& Beardsley, Los Angeles, California; Michael A. Cardozo, Proskauer, Rose, Goetz & Mendelsohn, New York, New York, for the amici curiae.

OPINION

PREGERSON, Circuit Judge:

BV Engineering sued the University of California, Los Angeles for copyright infringement. The district court granted summary judgment against BV Engineering on the ground that the eleventh amendment bars actions against the University of California under the Copyright Act of 1976. We affirm.

I

BV Engineering ("BV") creates and sells computer programs. In 1986, the University of California, Los Angeles ("the University") purchased one copy each of seven copyrighted computer programs sold by BV, with the accompanying user manuals. The University then made three copies of each program, and ten copies of each user manual.

In July 1986, BV commenced this action against the University. BV asserted various causes of action, including one for copyright infringement under section 501 of the Copyright Act of 1976, 17 U.S.C. §§ 101-810 (1982). The district court dismissed with prejudice all claims other than the claim for copyright infringement. On April 17, 1987, the district court granted summary judgment for the University on the ground that the eleventh amendment barred BV's copyright infringement action against the University. *BV Engineering v. University of California, Los Angeles*, 657 F. Supp. 1246, 1250-51 (C.D. Cal. 1987). Because the material facts are undisputed, we review only the legal question whether the

eleventh amendment immunizes the University of California from suit under the Copyright Act of 1976.

II

Whether a state is immune from suit under the eleventh amendment is a question of law, which we review de novo. *See, e.g., Charley's Taxi Radio Dispatch Corp. v. SIDA*, 810 F.2d 869, 873 & n.2 (9th Cir. 1987).

III

The eleventh amendment provides: "The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State." U.S. Const. amend. XI. Although the amendment does not by its terms prohibit an action against a state by one of the state's own citizens, the Supreme Court has recognized such a prohibition. *See Welch v. State Dep't of Highways & Public Transp.*, 107 S. Ct. 2941, 2945 (1987) (plurality) (citing *Hans v. Lousiana*, 134 U.S. 1, 10 (1890)).

"[T]he University of California and the Board of Regents are considered to be instrumentalities of the state," *Jackson v. Hayakawa*, 682 F.2d 1344, 1350 (9th Cir. 1982), and therefore enjoy the same immunity as the state of California.

There are two circumstances under which the eleventh amendment does *not* bar an action for damages against a State. First, a state may waive its immunity and consent to be sued in federal court. *Welch*, 107 S. Ct. at 2945. Second, Congress may, when acting pursuant to certain powers, create a cause of action for damages against an unconsenting state. *Id.* at 2946. We address these exceptions in turn.

IV

We may find a waiver of eleventh amendment immunity only "where (1) the state *expressly* consents; (2) a state statute or constitution so provides; or (3) Congress clearly intended to condition the state's participation in a program or activity on the state's waiver of immunity." *Collins v. Alaska*, 823 F.2d 329, 331-32 (9th Cir. 1987) (emphasis added).

It is conceded that California has not *expressly* consented to suit in federal court. Amici argue, however, that California's conduct in the copyright field demonstrates an intent to subject itself to the federal copyright laws. They point to certain California statutes that recognize an obligation to pay royalties on copyrights. *See, e.g.*, Cal. Educ. Code §§ 60289 (West 1978) (state must approve amount of royalty for copyrighted material), 60291 (West Supp. 1987) (in fixing cost of books, state includes cost of royalty for copyrighted material). At most, however, California's conduct would amount to *implied* consent to be sued in federal court. Under the first prong of *Collins*, this is not enough. *See also Richard Anderson Photography v. Brown*, No. 87-1610, slip op. at 16-19 (4th Cir. July 20, 1988) (state does not waive eleventh amendment immunity merely by participating in federal copyright scheme).

Nor is there any waiver under prong two of *Collins*. It is true that California has waived its sovereign immunity for tort actions. *See* Cal. Gov't Code § 945 (West 1980) ("A public entity may sue and be sued."); *see also Muskopf v. Corning Hospital Dist.*, 55 Cal.2d 211, 11 Cal. Rptr. 89, 359 P.2d 457 (1961) (abolishing governmental immunity from tort liability). This waiver does not, however, constitute a waiver of eleventh amendment immunity. "[F]or a state statute or constitutional provision to constitute a waiver of eleventh amendment immunity, it must specify the State's intention to subject itself to suit in *federal court*." *Atascadero State Hosp. v. Scanlon*, 473 U.S. 234, 241 (1985), (emphasis in original).

A state's waiver of sovereign immunity in its own courts does not effect a waiver of its eleventh amendment immunity in the federal courts. *Welch*, 107 S. Ct. at 2946.

Finally, there is no waiver under the third prong of *Collins*. We discern no indication in the Copyright Act of 1976 that Congress intended to condition the states' participation in the national copyright scheme on a waiver of immunity. *See Richard Anderson Photography*, slip op. at 16-19 (reaching the same conclusion).

V

A

It is well established that Congress has the power to abrogate the states' eleventh amendment immunity in statutes enacted under section 5 of the fourteenth amendment. *See, e.g., Welch*, 107 S. Ct. at 2946; *Collins v. Alaska*, 823 F.2d 329, 332 (9th Cir. 1987) ("It is beyond peradventure that, whatever power the Eleventh Amendment withdrew from the federal courts, Congress has the authority under section five of the Fourteenth Amendment to restore it.").

[1] The Copyright Act of 1976, however, was enacted pursuant to the Copyright and Patent Clause, U.S. Const. Art. I, § 8, cl. 8. The Supreme Court has reserved judgment on the question whether Congress may abrogate the states' eleventh amendment immunity pursuant to an Article I power. *See Welch*, 107 S. Ct. at 2946 ("assum[ing], without deciding or intimating a view of the question, that the authority of Congress to subject unconsenting States to suit in federal court is not confined to section 5 of the Fourteenth Amendment"); *County of Oneida, New York v. Oneida Indian Nation*, 470 U.S. 226, 252 (1985) (assuming, without deciding, that Congress may abrogate eleventh amendment immunity when it acts pursuant to the Commerce Clause, U.S. Const. Art. I, § 8, cl. 3).

Several other circuits have held that Congress *does* have the power to abrogate eleventh amendment immunity when it acts pursuant to Article I. *See United States v. Union Gas Co.*, 832 F.2d 1343, 1350-56 (3d Cir. 1987) (Commerce Clause, U.S. Const. Art. I, § 8, cl. 3), *cert. granted*, 108 S. Ct. 1219 (1988); *In re McVey Trucking, Inc.*, 812 F.2d 311, 314-23 (7th Cir.) (Bankruptcy Clause, U.S. Const. Art. I, § 8, cl. 4), *cert. denied*, 108 S. Ct. 227 (1987); *Peel v. Florida Dept. of Transportation*, 600 F.2d 1070, 1080-81 (5th Cir. 1979) (War Power Clause, U.S. Const. Art. I, § 8, cl. 11).

Commentators agree:

> Article I envisions that the national government will have exclusive power to regulate certain subjects when, in the clearly expressed opinion of Congress, such regulation would serve the nation's interests. To the extent that sovereign immunity would free a state from such national controls, that immunity is inconsistent with the constitutional plan.

Tribe, *Intergovernmental Immunities in Litigation, Taxation, and Regulation: Separation of Powers Issues in Controversies About Federalism*, 89 Harv. L. Rev. 682, 694-95 (1976); *see also id.* at 693 ("Nothing in the language or the history of the eleventh amendment suggests that it must be construed to limit congressional power under the commerce clause or under any other head of affirmative legislative authority."); *cf.* Nowak, *The Scope of Congressional Power to Create Causes of Action Against State Governments and the History of the Eleventh and Fourteenth Amendments*, 75 Colum. L. Rev. 1413, 1469 (1975) ("When the Court finally determines the scope of congressional power to create federal damage actions against state governments, it will further define the nature of federal-state relationships. If it imposes restrictions on this power . . . . [it] will have to attempt to find a principled basis for restricting the fulfillment of national needs which

call for the effective regulation of state activities when none exists.") (footnote omitted).

[2] A decision on this issue may be forthcoming. The Supreme Court recently granted certiorari in a case that endorsed the view that Congress may abrogate eleventh amendment immunity when acting pursuant to the Commerce Clause. *See United States v. Union Gas Co.*, 832 F.2d 1343 (3d Cir. 1987), *cert. granted*, 108 S. Ct. 1219 (1988). Because the issue is pending before the Supreme Court, we decline to reach it here. We assume, without deciding, that Congress may abrogate the states' eleventh amendment immunity when acting under an Article I power. We conclude that it failed to exercise that power in the Copyright Act of 1976.

B

The Supreme Court has announced a stringent test for determining whether Congress intended to create a cause of action against the states: "Congress may abrogate the State's constitutionally secured immunity from suit in federal court only by making its intention unmistakably clear in the language of the statute." *Atascadero*, 473 U.S. at 242 (1985). It must express its intention "unequivocally," *id.* at 243, and "specifically." *Id.* at 246. A general authorization for suit is not enough. *Id.*; *Welch*, 107 S. Ct. at 2947.[1]

---

[1]In *Mills Music, Inc. v. Arizona*, we held that Congress had abrogated the states' eleventh amendment immunity in the Copyright Act of 1909. 591 F.2d 1278, 1284-86 (9th Cir. 1979). Section 101 of the 1909 Act provided a cause of action against "any person" who infringed a copyright. *See id.* at 1284. We held that the term "any person" was sufficiently broad to include states. *Id.* To support this holding, we relied on the Supreme Court's decision in *Parden v. Terminal Railway*, which held that a general authorization for suit was a sufficient indication of Congressional intent to abrogate eleventh amendment immunity. 377 U.S. 184, 187-90 (1964) (interpreting the term "every common carrier" in the context of the Federal Employees Liability Act).

Section 501 of the Copyright Act of 1976 provides a cause of action for infringement against "[a]nyone who violates the exclusive rights of the copyright owner." 17 U.S.C. § 501(a).[2] We can discern no basis for characterizing this authorization for suit as anything other than general. *See Welch*, 107 S. Ct. at 2947 (characterizing the term "any seaman" as general); *Atascadero*, 473 U.S. at 234-35 (characterizing the term "any recipient" as general).

[3] Amici note, however, that the 1909 Act used the term "any person," while the 1976 Act uses the term "anyone." They argue that this change in terminology broadens the class of potential defendants, and indicates an intent to make unconsenting states subject to suit in federal court. While amici may be correct that the term "anyone" is broader than the term "any person"—because "anyone" more clearly includes entities—we reject the proposition that this is the type of "unequivocal statutory language" required by

---

Subsequent Supreme Court decisions have made it clear that our conclusion in *Mills Music* was incorrect. In *Atascadero*, the Court held that "[a] general authorization for suit in federal court is *not* . . . sufficient to abrogate the Eleventh Amendment." 473 U.S. at 246 (emphasis added) (interpreting the term "any recipient of Federal assistance" in the context of the Rehabilitation Act). Two years later, the Court reiterated this rule, and held that "to the extent that *Parden v. Terminal Railway* is inconsistent with the requirement that an abrogation of Eleventh Amendment immunity by Congress must be expressed in unmistakably clear language, it is overruled." *Welch v. State Dep't of Highways & Public Transp.*, 107 S. Ct. 2941, 2947, 2948 (1987) (plurality) (interpreting the term "any seaman" in the context of the Jones Act). In light of these cases, it is clear that the term "any person" is not sufficiently broad to encompass States as potential defendants. Thus, our decision in *Mills Music* has been overruled sub silentio. The district court correctly concluded that *Mills Music* is no longer the law of this circuit. *See BV Engineering*, 657 F. Supp. at 1249-50.

[2]Section 501(a) provides, in full, that "Anyone who violates any of the exclusive rights of the copyright owner as provided by sections 106 through 118, or who imports copies or phonorecords into the United States in violation of section 602, is an infringer of the copyright."

Atascadero. *See* 473 U.S. at 246. We therefore conclude, with the other courts that have examined this provision, that section 501 does not indicate a Congressional intent to subject unconsenting states to suit for damages in federal court. *See Richard Anderson Photography*, slip op. at 9-10; *Woellfer v. Happy States of America, Inc.*, 626 F. Supp. 499, 504 (N.D. Ill. 1985) ("The sweeping language employed by Congress arguably includes states within the class of copyright ... infringers. Under *Atascadero*, however, this is not enough to abrogate sovereign immunity.") (citation omitted).

This does not end our inquiry. It is well settled that in interpreting a statute we must consider each provision in the context of the statute as a whole. *E.g.*, *Kelly v. Robinson*, 107 S. Ct. 353, 358 (1986) (in construing statute, court must look not at a single sentence but at the provisions of the entire statute); *Richards v. United States*, 369 U.S. 1, 11 (1962) (it is "fundamental that a section of a statute should not be read in isolation from the context of the whole Act"); *Largo v. Sunn*, 835 F.2d 205, 207 (9th Cir. 1987) (in construing statute, court looks at language in isolation and in context); *see also Richard Anderson Photography*, slip op. at 10-11 (declining to limit inquiry to Section 501).

Only two provisions of the Copyright Act of 1976—one of which has lapsed—refer explicitly to states. Section 602(a) provides that the unauthorized importation of copies or phonorecords of a copyrighted work constitutes an infringement actionable under section 501. 17 U.S.C. § 602(a). Subsection (1) exempts from this provision the "importation of copies or phonorecords under the authority of or for the use of ... any State or political subdivision of a State, but not including copies or phonorecords for use in schools, or copies of any audiovisual work imported for purposes other than archival use." 17 U.S.C. § 602(a)(1).

Section 601(a), which is no longer in effect, prohibited the importation of certain designated materials. Section 601(b)

(3) provided an exemption "where importation is sought under the authority of or for the use, other than in schools, of . . . any State or political subdivision of a State." 17 U.S.C. § 601(b)(3).

BV argues that the mere presence of sections 602 and 601 in the Copyright Act demonstrates Congress' "intent to bring the states within the reach of the Copyright Act and to render them liable as infringers in the same manner as all other infringers." It cites to *Patsy v. Board of Regents*, 457 U.S. 496 (1982), in which the Supreme Court employed similar reasoning to hold that exhaustion of state administrative remedies is not a general prerequisite to suit under 42 U.S.C. § 1983. In *Patsy*, the Court reasoned that a separate statute, which created a "specific, limited exhaustion requirement for adult prisoners," *id.* at 508, "[made] sense, and [was] not superfluous" only if Congress intended that there be no *general* exhaustion requirement. *Id.* at 512. BV argues that sections 602 and 601 and their exemptions are superfluous unless Congress intended that states be subject to suit for copyright infringement in situations *other* than those governed by sections 602 and 601.

BV's interpretation of sections 602 and 601 would be tenable were it not for *Atascadero*'s requirement of clear and unmistakable statutory language. *See Atascadero*, 473 U.S. at 243. As the fourth circuit recently noted, the exemptions in these sections apply to "importation . . . under the authority of or for the use . . . of any State," 17 U.S.C. §§ 601, 602, not "importation *by* any state." *See Richard Anderson Photography*, slip op. at 15 (discussing section 602). This language can "be read as exempting from liability only those private persons or public officials acting in their individual capacity who import copyright materials under governmental authority or for governmental use." *Id.* Because these sections are susceptible to more than one reasonable interpretation, we cannot conclude that they satisfy *Atascadero*'s requirement of clear and unmistakable language.

For the same reason, we reject BV's argument that sections 110(2), (6), and (8); 111(a)(4); 112(b), (c), and (d); and 118(d)(3) evidence congressional intent to abrogate the states' immunity. These sections refer not to "states," but to "governmental bodies." As the fourth circuit noted in its recent opinion on this issue, "the phrase [governmental bodies] could be read as applicable only to local governments or to actions by government officials." *Richard Anderson Photography*, slip op. at 13. Plausible as BV's interpretation may be, *Atascadero* does not permit us to find abrogation based on ambiguous language.

VI

Finally, BV argues that it is inconsistent with the statutory scheme governing copyright law to immunize states from suit for infringement. The Copyright and Patent Clause gives Congress the power "To promote the Progress of Science and Useful Arts by securing for limited Times to Authors and Inventors the *exclusive* Right to their respective Writings and Discoveries. . . ." U.S. Const. Art. I, § 8, cl. 8 (emphasis added). Congress granted such an exclusive right in section 106 of the Copyright Act of 1976, which confers on a copyright owner a limited monopoly. The Supreme Court has suggested that even the states must honor a copyright owner's monopoly: "When Congress grants an exclusive right or monopoly, its effects are pervasive; no citizen or State may escape its reach." *Goldstein v. California*, 412 U.S. 546, 560 (1973) (referring to the Copyright Act of 1909).

BV also argues that the policies behind the Eleventh Amendment are not implicated in this case. These policies include preventing a drain on state treasuries, *see Edelman v. Jordan*, 415 U.S. 651, 663-68 (1974), and limiting the jurisdiction of the federal courts. *See Atascadero*, 473 U.S. at 242-43. The first policy is not at issue here because the states can avoid a drain on the treasury from damages actions simply by complying with the federal copyright laws.

Nor is the second policy at issue here. Behind the eleventh amendment lies a concern for maintaining a balance of power between state and federal courts. *Id.* In most cases, "in determining whether Congress has abrogated the States' Eleventh Amendment immunity, the courts themselves must decide whether their own jurisdiction has been expanded." *Id.* at 243. Here, however, a holding that Congress has abrogated immunity in the Copyright Act could not expand the jurisdiction of the federal courts, because the federal courts already have *exclusive* jurisdiction over copyright actions. 28 U.S.C. § 1338(a). The Copyright Act, moreover, preempts all state copyright laws. 17 U.S.C. § 301(a). Thus, the choice is not between the federal forum and the state forum—it is between the federal forum and *no* forum.

The Supreme Court has never addressed the question of eleventh amendment immunity in a context where exclusive jurisdiction rests in the federal courts. Rather, it has assumed that when the eleventh amendment bars an action in federal court, a state remedy is still available: "[T]he issue is not the general immunity of the States from private suit . . . but merely the susceptibility of the States to suit before *federal tribunals.*" *Atascadero,* 473 U.S. at 240 n.2 (emphasis and ellipsis in original) (quoting *Employees v. Missouri Dep't of Public Health & Welfare,* 411 U.S. 279, 293-94 (1973) (Marshall, J., concurring in the result)).

[4] Although we find these arguments compelling, we are constrained by the Supreme Court's mandate that we find an abrogation of eleventh amendment immunity only when Congress has included in the statute unequivocal and specific language indicating an intent to subject states to suit in federal court. Such language is absent from the Copyright Act of 1976. We recognize that our holding will allow states to violate the federal copyright laws with virtual impunity. It is for Congress, however, to remedy this problem.

The judgment of the district court is AFFIRMED.

APPENDIX B

BV ENGINEERING, a business entity,
Plaintiff,

v.

UNIVERSITY OF CALIFORNIA, LOS ANGELES
(the Regents of the University of California),
Defendant.

No. CV 86-4708-HLH (Px).

United States District Court,
C.D. California.

April 17, 1987.

MEMORANDUM OPINION AND ORDER GRANTING SUMMARY JUDGMENT AND DISMISSING ACTION

HUPP, District Judge.

BV Engineering, a business name for Bert van den Berg, plaintiff, who manufactures and sells computer software products, brought this action against the Regents of the University of California ("Regents") for copyright infringement, trademark infringement, and breach of contract. Pursuant to stipulation, the suit was restricted to seven counts of copyright infringement under the Copyright Laws of the United States, 17 U.S.C. §§ 101, *et. seq.* Plaintiff's complaint alleges that the defendant illegally copied seven of plaintiff's copyrighted software programs and associated documents and seeks damages therefor under the Copyright Laws.

Both parties have moved for summary judgment. Defendant Regents' motion is based on various grounds, including a claim that defendant is entitled to immunity from suit in this context under the Eleventh Amendment. Since the Court finds that the sovereign immunity doctrine associated with the Eleventh Amendment applies to defendant Regents in this case, the Court does not reach the remaining issues posed by the parties on their cross motions for summary judgment.

The Board of Regents of the University of California is an instrumentality of the state for purposes of the Eleventh Amendment and its associated doctrine of sovereign immunity. *Hall v. State of Hawaii,* 791 F.2d 759, 761 (9th Cir. 1986); *Jackson v. Hayakawa,* 682 F.2d 1344, 1350 (9th Cir. 1982). Therefore, the remaining question is whether the doctrine of sovereign immunity associated with the Eleventh Amendment immunizes the Regents against a damage suit for copyright infringement.

The Eleventh Amendment provides in pertinent part:

"The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State. . . ."

The Eleventh Amendment has a long and, in some respects, obscure history. (*See* 56 page dissent of Justice Brennan in *Atascadero State Hospital v. Scanlon,* 473 U.S. 234, 247-302, 105 S.Ct. 3142, 3150-3178, 87 L.Ed.2d 171, 183-217 (1985)). Justice Brennan's long standing dissenting thesis is that the Eleventh Amendment is inapplicable to cases arising under Article III federal question jurisdiction. (*Id.*). The recent case of *Matter of McVey Trucking, Inc.,* 812 F.2d 311 (7th Cir. 1987) analyzes the views of the majority (expressed primarily in Rehnquist and Powell opinions) and the minority (expressed in Brennan opinions) on the applicability of the Eleventh Amendment in such cases. This Court agrees with the *McVey* Court's analysis of the Eleventh Amendment and its associated doctrine of sovereign immunity and the Seventh Circuit's conclusion that *Hans v. Louisiana,* 134 U.S. 1, 10 S.Ct. 504, 33 L.Ed. 842 (1890) "stands for the proposition that, as a sovereign, a state is presumptively immune from suit in a federal court even if the cause of action arises under federal law." *McVey Trucking* at 318. Thus, as *McVey* explains, the Eleventh Amendment expressly divests the federal courts of jurisdiction founded on diversity alone in a damage action, but in addition, where federal question jurisdiction is involved, the constitutional history surrounding the Eleventh Amendment necesitates a court created recognition of a state's presumptive sovereign immunity from a damage suit in the federal courts.

Recognizing this presumption of immunity, however, the Supreme Court, in cases subsequent to *Hans v. Louisiana, supra,* has established the proposition that when Congress enacts legislation pursuant to a plenary power articulated in the Constitution (primarily found in Article I, § 8, and in the Fourteenth Amendment), it may, if it properly expresses its intention, override the presumption and create a cause of action for money damages enforceable against an unconsenting state in federal court. *See Atascadero State Hospital v. Scanlon,* 473 U.S. 234, 105 S.Ct. 3142, 87 L.Ed.2d 171 (1985); *Pennhurst State School & Hospital v. Halderman,* 465 U.S. 89, 104 S.Ct. 900, 79 L.Ed.2d 67 (1984); *Quern v. Jordan,* 440 U.S. 332, 99 S.Ct. 1139, 59 L.Ed.2d 358 (1979); *Hutto v. Finney,* 437 U.S. 678, 98 S.Ct. 2565, 57 L.Ed.2d 522 (1978); *Fitzpatrick v. Bitzer,* 427 U.S. 445, 96 S.Ct. 2666, 49 L.Ed.2d 614 (1976); *Edelman v. Jordan,* 415 U.S. 651, 94 S.Ct. 1347, 39 L.Ed.2d 662 (1974); *Parden v. Terminal R. Co.,* 377 U.S. 184, 84 S.Ct. 1207, 12 L.Ed.2d 283 (1964).[1]

In addition, this Court notes its further agreement with the *McVey* Court's conclusion that congress "may abrogate state immunity to suit pursuant to any of its plenary powers." (*McVey Trucking, supra,* at 315-323) (rejecting any of the possible bases for distinguishing between the Fourteenth Amendment and Article I plenary powers as a source for the congressional power to

---

[1]The congressional power to subject the States to suit in federal court is sometimes phrased as Congress' ability to abrogate a state's sovereign or "Eleventh Amendment" immunity, which leads to the conceptual difficulty of congressional "abrogation" of a provision of the Constitution. Whether Congressional "abrogation" of a State's Eleventh Amendment immunity is merely shorthand for recognizing constitutional limits on a State's immunity to suit which derive from judicial constructs of sovereign immunity appended to the Eleventh Amendment beginning with the seminal case of *Hans v. Louisiana, supra,* depends upon historical analysis of the development of the Eleventh Amendment and its case law progeny. Rather than attempt to clarify the language utilized by the Supreme Court in reaching the above result, this Court adopts the Seventh Circuit's formulation of this congressional power to describe the holdings of such case as *Atascadero, Pennhurst, Quern, Hutto, Fitzpatrick, Edelman* and *Parden, supra.*

create a cause of action for money damages enforceable against an unconsenting state in federal court).

Thus, the question before this Court is, in light of the current test for determining whether Congress has exercised its power to create a cause of action for money damages enforceable against an unconsenting state in federal court, whether Congress has done so in the Copyright Laws of the United States enacted pursuant to Article I, Section 8, Clause 8 of the Constitution.

In the 9th Circuit, the question of whether Congress intended to do so was, at one time, settled so far as copyright actions are concerned in *Mills Music, Inc. v. State of Arizona* (9th Cir. 1979) 591 F.2d 1278. In the *Mills Music* case, the 9th Circuit Court of Appeals recognized the longstanding doctrine that Congress needed to express clearly its intent to subject an unconsenting state to a federally created cause of action for damages in federal court.

The United States Constitution, Article I, Section 8, Clause 8, expressly provides authority for Congress to enact a patent, trademark, and copyright law. In the *Mills Music* case, the Court construed the Copyright Laws' application to "any person" as being sufficiently explicit to include a state. The Court concluded (at page 1286):

> "Accordingly, we conclude that the Eleventh Amendment's sovereign immunity does not permit a state to nullify the rights reserved and protected by Congress, acting pursuant to the Copyright and Patent Clause."

If it can be said that the *Mills Music* case is still the law in this Circuit, defendant's motion for summary judgment based on the Eleventh Amendment and its associated sovereign immunity doctrine must be denied. However, the Court believes that the decision of the Supreme Court in *Atascadero State Hospital v. Scanion, supra*, and the 9th Circuit's decision in *Doe By Gonzales v. Maher*, 793 F.2d 1470 (9th Cir. 1986) indicate that *Mills Music* is no longer the law.

The decision in *Atascadero State Hospital* points inevitably to this conclusion. In *Atascadero State Hospital*, the Supreme Court

made it clear that when Congress enacts a law under one of its powers granted by the Constitution, it may subject States to damage suits under that law in the federal courts only by expressly saying so in the applicable statute. The Supreme Court said, at 473 U.S. 239-40, 105 S.Ct. 3146, 87 L.Ed.2d 178:

> "Thus, we have held that a state will be deemed to have waived its immunity 'only where stated by the most express language or by such overwhelming implication from the text as will leave no room for any other reasonable construction' " (citing *Edelman v. Jordan, supra*).

Further, the Supreme Court quoted a prior holding as stating:

> "... in determining whether Congress in exercing its Fourteenth Amendment powers has abrogated the States' Eleventh Amendment immunity, we have required 'an unequivocal expression of congressional intent to overturn the consitutionally guaranteed immunity of the several States' " (*Id.* citing *Penhurst State School & Hospital v. Halderman, supra*).

Thus far, the language recites in vigorous terms the previous Supreme Court holdings. The new requirement starts at 473 U.S. 242, 105 S.Ct. 3147, 87 L.Ed.2d 179, where the Supreme Court states that it does:

> "... affirm that Congress may abrogate the States' constitutionally secured immunity from suit in federal court only by making its intention unmistakably clear *in the language of the statute.* The fundamental nature of the interests implicated by the Eleventh Amendment dictates this conclusion." (Emphasis added).

At page 243, 105 S.Ct. at 3147, the Court says:

> "... it is incumbent upon the federal courts to be certain of Congress' intent before finding that federal law overrides the guarantees of the Eleventh Amendment. The requirement that Congress unequivocally express this intention *in the statutory language* ensures such certainty." (Emphasis added).

> And, also at page 243, 105 S.Ct. at 3148: "For these reasons, we hold consistent with *Quern, Edelman,* and *Pennhurst* II — that Congress must express its intention to abrogate the Eleventh Amendment *in unmistakable language in the statute itself.*" (Emphasis added).

In the *Atascadero State Hospital* case, the statute provided for suit against *any recipient* of the federal funds involved in the statute being construed. The State of California was such a recipient. The Court held that this fact was insufficient to imply a congressional intention that a state may be sued under the Act for damages in federal court. The Court stated that "[a] general authorization for suit in federal court is not the kind of unequivocal statutory language sufficient to abrogate the Eleventh Amendment." (*Id.* at 246, 105 S.Ct. at 3149).

In a respect other than the Copyright Act, the emphatic language of the Court in *Atascadero State Hospital* has led the 9th Circuit to overturn previous holdings implying a congressional intention under certain statutes to allow suit for money damages against an unconsenting state in a federal court. In *Doe By Gonzales v. Maher, supra,* the 9th Circuit was dealing with federal statutory law under the Education for All Handicapped Children Act. 9th Circuit precedent had previously held in cases which cited *Mills Music* that congressional intention to allow suit in the federal court against the state under this legislation could be implied. *Students of California School for the Blind v. Honig,* 736 F.2d 538 (9th Cir. 1984); *Department of Education v. Catherine D.*, 727 F.2d 809 (9th Cir. 1984). In *Doe By Gonzales,* the 9th Circuit stated (at page 1493):

> "Although these cases formerly were controlling, they can carry no force in the light of the Supreme Court's recent decision in *Atascadero State Hospital v. Scanion* . . . ."

The Court in *Doe By Gonzales* went on to summarize the substance of the *Atascadero State Hospital* case and to hold that it is binding in the absence of sufficiently expressed language in the federal enactment itself.

While there is no direct 9th Circuit opinion overruling *Mills Music,* the handwriting is unmistakably on the wall and the Court

must read that handwriting. Since *Atascadero State Hospital*, other district courts have held that the *Mills Music* decision is obviated and a different result is called for. (*Woelffer v. Happy States of America, Inc.*, 626 F.Supp. 499 (N.D.Ill. 1985); *Richard Anderson Photography v. Radford University*, 633 F.Supp. 1154 (W.D.Va. 1986) (the latter case reversing a previous Western District of Virginia case decided in accord with *Mills Music*). *See also Mihalek Corp. v. Michigan*, 595 F.Supp. 903 (E.D.Mich.1984). The 8th Circuit had previously held that a state may not be sued under the Copyright Acts (*Wihtol v. Crow*, 309 F.2d 777 (8th Cir. 1962)).

The Court is reluctant to reach the conclusion that *Mills Music* no longer obtains. Were the Court free to do so, it would hold otherwise, since it believes the view expressed by Judge (now Chief Justice) Lucas in the *Mills Music* case to be sound. In the copyright, trademark, and patent area, it seems reasonable that an intention to bind the States should be implied, particularly in view of the circumstance that the federal courts are the only place where federal copyrights may be enforced (federal court jurisdiction being exclusive under 28 U.S.C. § 1338(a)). However, despite dictum in *McVey Trucking, supra,* suggesting that the *Atascadero State Hospital* language was perhaps not meant literally, (*McVey Trucking* at 324- 325), the requirement that the congressional intent to abrogate a state's sovereign immunity must be "express . . . in the statutory language" was thrice stated, was specifically attacked in Justice Brennan's dissent, and was a concept borrowed from Justice Powell's dissenting opinion in *Hutto v. Finney, supra.* (*Hutto v. Finney, supra,* Powell, concurring in part and dissenting in part). The chances of the new standard expressed in *Atascadero State Hospital* having been accidentally formulated or unintended to be taken literally are nonexistent.

The majority in *Atascadero State Hospital* was emphatic, even more than emphatic, in stating that congressional intention must be expressly set forth *in the statute.* Such an intention is not set forth in the statute here. 17 U.S.C. § 501(a) merely says that:

> (a) Anyone who violates any of the exclusive rights of the copyright owner . . . is an infringer of the copyright.

> (b) The legal or beneficial owner of an exclusive right under a copyright is entitled . . . to institute any action for any infringement of that particular right . . . .

No express statement that the state is included in the general phrase "anyone" is set forth. The rationale of *Mills Music* is necessary to make that implication, but that rationale has, in effect, been overruled in *Atascadero State Hospital.* Accordingly, the necessary unequivocal expression of congressional intent within the language of the statute which is a prerequisite to a finding that Congress has exercised its power to create a cause of action for money damages against an unconsenting state in federal court, is not present and the suit may not be maintained in this District Court.[2] Defendant's motion for summary judgment is granted, plaintiff's motion for summary judgment is denied, and the action is dismissed. This Order is a final disposition of this action for purposes of F.R.C.P. Rule 54.

---

[2]In the complaint, plaintiff prays for injunctive relief as well as damages. Different rules govern a grant of injunctive relief against a state based on a cause of action "arising under" federal law. Specifically, injunctions against future conduct in violation of federal law are not governed by the same rules of interpretation as are damage claims. *Edelman v. Jordan,* 415 U.S. 651, 94 S.Ct. 1347, 39 L.Ed.2d 662 (1974); *Ex Parte Young,* 209 U.S. 123, 28 S.Ct. 441, 52 L.Ed. 714 (1908). However, plaintiff has apparently abandoned the claim for injunctive relief since the joint status conference report mentions only damages as being at issue, plaintiff nowhere mentions an injunction in the opposition to defendant's motion for summary judgment or in plaintiff's own motion, and plaintiff does not refer to defendant's argument that an injunction is inappropriate. In any event, there is no triable issue regarding an injunction. Defendant shows by declaration that when the dispute arose, it collected all copies made of the program and that it will not further distribute them; plaintiff does not controvert this showing and thus it is without factual dispute. Therefore, the court determines that no "live" issue in this case remains regarding injunctive relief.

APPENDIX C

Provisions of Title 28, U.S.C.

§ 1338. Patents, plant variety protection, copyrights, trademarks, and unfair competition

(a) The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights and trade-marks. Such jurisdiction shall be exclusive to the courts of the states in patent, plant variety protection and copyright cases.

Provisions of Title 17, U.S.C.

§ 110. Limitations on exclusive rights: Exemption of certain performances and displays

Notwithstanding the provisions of section 106, the following are not infringements of copyright:

(2) performance of a nondramatic literary or musical work or display of a work, by or in the course of a transmission, if —

(A) the performance or display is a regular part of the systematic instructional activities of a governmental body or a nonprofit educational institution; and

(B) the performance or display is directly related and of material assistance to the teaching content of the transmission; and

(C) the transmission is made primarily for —

(i) reception in classrooms or similar places normally devoted to instruction, or

(ii) reception by persons to whom the transmission is directed because their disabilities or other special circumstances prevent their attendance in classrooms or similar places normally devoted to instruction, or

(iii) reception by officers or employees of governmental bodies as a part of their official duties or employment;

(6) performance of a nondramatic musical work by a governmental body or a nonprofit agricultural or horticultural organization, in the course of an annual agricultural or horticultural fair or exhibition conducted by such body or organization; the exemption provided by this clause shall extend to any liability for copyright infringement that would otherwise be imposed on such body or organization, under doctrines of vicarious liability or related infringement, for a performance by a concessionnaire, business establishment, or other person at such fair or exhibition, but shall not excuse any such person from liability for the performance;

(8) performance of a nondramatic literary work, by or in the course of a transmission specifically designed for and primarily directed to blind or other handicapped persons who are unable to read normal printed material as a result of their handicap, or deaf or other handicapped persons who are unable to hear the aural signals accompanying a transmission of visual signals, if the performance is made without any purpose of direct or indirect commercial advantage and its transmission is made through the facilities of: (i) a governmental body; or (ii) a noncommercial educational broadcast station (as defined in section 397 of title 47); or (iii) a radio subcarrier authorization (as defined in 47 CFR 73.293-73.295 and 73.593-73.595); or (iv) a cable system (as defined in section 111(f)).

§ 111. Limitations on exclusive rights: Secondary transmissions

(a) CERTAIN SECONDARY TRANSMISSIONS EXEMPTED. — The secondary transmission of a primary transmission embodying a performance or display of a work is not an infringement of copyright if —

(1) the secondary transmission is not made by a cable system, and consists entirely of the relaying, by the management of a hotel, apartment house, or similar establishment, of signals transmitted by a broadcast station licensed by the Federal Communications Commission, within the local service area of such station, to the private lodgings of guests or residents of such establishment, and no direct charge is made to see or hear the secondary transmission; or

(2) the secondary transmission is made solely for the purpose and under the conditions specified by clause (2) of section 110; or

(4) the secondary transmission is not made by a cable system but is made by a governmental body, or other nonprofit organization, without any purpose of direct or indirect commercial advantage, and without charge to the recipients of the secondary transmission other than assessments necessary to defray the actual and reasonable costs of maintaining and operating the secondary transmission service.

§ 112. Limitations on exclusive rights: Ephemeral recordings

(b) Notwithstanding the provisions of section 106, it is not an infringement of copyright for a governmental body or other nonprofit organization entitled to transmit a performance or display of a work, under section 110(2) or under the limitations on exclusive rights in sound recordings specified by section 114(a), to make no more than thirty copies or phonorecords of a particular transmission program embodying the performance or display, if —

(1) no further copies or phonorecords are reproduced from the copies or phonorecords made under this clause; and

(2) except for one copy or phonorecord that may be preserved exclusively for archival purposes, the copies or phonorecords are destroyed within seven years from the date the transmisson program was first transmitted to the public.

(c) Notwithstanding the provisions of section 106, it is not an infringement of copyright for a governmental body or other nonprofit organization to make for distribution no more that one copy or phonorecord, for each transmitting organization specified in clause (2) of this subsection, of a particular transmission program embodying a performance of a nondramatic musical work of a religious nature, or of a sound recording of such a musical work, if —

(1) there is no direct or indirect charge for making or distributing any such copies or phonorecords; and

(2) none of such copies or phonorecords is used for any performance other than a single transmission to the public by a transmitting organization entitled to transmit to the public a performance of the work under a license or transfer of the copyright; and

(3) except for one copy or phonorecord that may be preserved exclusively for archival purposes, the copies or phonorecords are all destroyed within one year from the date the transmission program was first transmitted to the public.

(d) Notwithstanding the provisions of section 106, it is not an infringement of copyright for a governmental body or other nonprofit organization entitled to transmit a performance of a work under section 110(8) to make no more than ten copies or phonorecords embodying the performance, or to permit the use of any such copy or phonorecord by any governmental body or nonprofit organization entitled to transmit a performance of a work under section 110(8), if —

(1) any such copy or phonorecord is retained and used solely by the organization that made it, or by a governmental body or nonprofit organization entitled to transmit a performance of a work under section 110(8), and no further copies or phonorecords are reproduced from it; and

(2) any such copy or phonorecord is used solely for transmissions authorized under section 110(8), or for purposes of archival preservation or security; and

(3) the governmental body or nonprofit organization permitting any use of any such copy or phonorecord by any governmental body or nonprofit organization under this subsection does not make any charge for such use.

§ 118. Scope of exclusive rights: Use of certain works in connection with noncommercial broadcasting

(d) Subject to the transitional provisions of subsection (b)(4), and to the terms of any voluntary license agreements that have been negotiated as provided by subsection (b)(2), a public broadcasting entity may, upon compliance with the provisions of

this section, including the rates and terms established by the Copyright Royalty Tribunal under subsection (b)(3), engage in the following activities with respect to published nondramatic musical works and published pictorial, graphic, and sculptural works:

(3) the making of reproductions by a governmental body or a nonprofit institution of a transmission program simultaneously with its transmission as specified in clause (1), and the performance or display of the contents of such program under the conditions specified by clause (1) of section 110, but only if the reproductions are used for performances or displays for a period of no more than seven days from the date of the transmission specified in clause (1), and are destroyed before or at the end of such period. No person supplying, in accordance with clause (2), a reproduction of a transmission program to governmental bodies or nonprofit institutions under this clause shall have any liability as a result of failure of such body or institution to destroy such reproduction; *Provided*, That it shall have notified such body or institution of the requirement for such destruction pursuant to this clause; *And provided further*, That if such body or institution itself fails to destroy such reproduction it shall be deemed to have infringed.

§ 301. Preemption with respect to other laws

(a) On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.

(b) Nothing in this title annuls or limits any rights or remedies under the common law or statutes of any State with respect to —

(1) subject matter that does not come within the subject matter of copyright as specified by sections 102 and 103, including works of authorship not fixed in any tangible medium of expression; or

(2) any cause of action arising from undertakings commenced before January 1, 1978; or

(3) activities violating legal or equitable rights that are not equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106.

(c) With respect to sound recordings fixed before February 15, 1972, any rights or remedies under the common law or statutes of any State shall not be annulled or limited by this title until February 15, 2047. The preemptive provisions of subsection (a) shall apply to any such rights and remedies pertaining to any cause of action arising from undertakings commenced on and after February 15, 2047. Notwithstanding the provisions of section 303, no sound recording fixed before February 15, 1972, shall be subject to copyright under this title before, on, or after February 15, 2047.

(d) Nothing in this title annuls or limits any rights or remedies under any other Federal statute.

§ 501. Infringement of copyright

(a) Anyone who violates any of the exclusive rights of the copyright owner as provided by sections 106 through 118, or who imports copies or phonorecords into the United States in violation of section 602, is an infringer of the copyright.

(b) The legal or beneficial owner of an exclusive right under a copyright is entitled, subject to the requirements of sections 205(d) and 411, to institute an action for any infringement of that particular right committed while he or she is the owner of it. The court may require such owner to serve written notice of the action with a copy of the complaint upon any person shown, by the records of the Copyright Office or otherwise, to have or claim an interest in the copyright, and shall require that such notice be served upon any person whose interest is likely to be affected by a

decision in the case. The court may require the joinder, and shall permit the intervention, of any person having or claiming an interest in the copyright.

(c) For any secondary transmission by a cable system that embodies a performance or a display of a work which is actionable as an act of infringement under subsection (c) of section 111, a television broadcast station holding a copyright or other license to transmit or perform the same version of that work shall, for purposes of subsection (b) of this section, be treated as a legal or beneficial owner if such secondary transmission occurs within the local service area of that television station.

(d) For any secondary transmission by a cable system that is actionable as an act of infringement pursuant to section 111(c)(3), the following shall also have standing to sue: (i) the primary transmitter whose transmission has been altered by the cable system; and (ii) any broadcast station within whose local service area the secondary transmission occurs.

§ 504. Remedies for infringement: Damages and profits

(a) IN GENERAL. — Except as otherwise provided by this title, an infringer of copyright is liable for either —

(1) the copyright owner's actual damages and any additional profits of the infringer, as provided by subsection (b); or

(2) statutory damages, as provided by subsection (c).

(b) ACTUAL DAMAGES AND PROFITS. — The copyright owner is entitled to recover the actual damages suffered by him or her as a result of the infringement, and any profits of the infringer that are attributable to the infringement and are not taken into account in computing the actual damages. In establishing the infringer's profits, the copyright owner is required to present proof only of the infringer's gross revenue, and the infringer is required to prove his or her deductible expenses and the elements of profit attributable to factors other than the copyrighted work.

(c) STATUTORY DAMAGES. —

(1) Except as provided by clause (2) of this subsection, the copyright owner may elect, at any time before final judgment is

rendered, to recover, instead of actual damages and profits, an award of statutory damages for all infringements involved in the action, with respect to any one work, for which any one infringer is liable individually, or for which any two or more infringers are liable jointly and severally, in a sum of not less than $250 or more than $10,000 as the court considers just. For the purposes of this subsection, all the parts of a compilation or derivative work constitute one work.

(2) In a case where the copyright owner sustains the burden of proving, and the court finds, that infringement was committed willfully, the court in its discretion may increase the award of statutory damages to a sum of not more than $50,000. In a case where the infringer sustains the burden of proving, and the court finds, that such infringer was not aware and had no reason to believe that his or her acts constituted an infringement of copyright, the court it (*sic,* in) its discretion may reduce the award of statutory damages to a sum of not less than $100. The court shall remit statutory damages in any case where an infringer believed and had reasonable grounds for believing that his or her use of the copyrighted work was a fair use under section 107, if the infringer was: (i) an employee or agent of a nonprofit educational institution, library, or archives acting within the scope of his or her employment who, or such institution, library, or archives itself, which infringed by reproducing the work in copies or phonorecords; or (ii) a public broadcasting entity which or a person who, as a regular part of the nonprofit activities of a public broadcasting entity (as defined in subsection (g) of section 118) infringed by performing a published nondramatic literary work or by reproducing a transmission program embodying a performance of such a work.

§ 505. Remedies for infringement: Costs and attorney's fees

In any civil action under this title, the court in its discretion may allow the recovery of full costs by or against any party other than the United States or an officer thereof. Except as otherwise provided by this title, the court may also award a reasonable attorney's fee to the prevailing party as part of the costs.

§ 601. Manufacture, importation, and public distribution of certain copies

(a) Prior to July 1, 1982, and except as provided by subsection (b), the importation into or public distribution in the United States of copies of a work consisting preponderantly of nondramatic literary material that is in the English language and is protected under this title is prohibited unless the portions consisting of such material have been manufactured in the United States or Canada.

(b) The provisions of subsection (a) do not apply —

(3) where importation is sought under the authority or for the use, other than in schools, of the Government of the United States or of any State or political subdivision of a State;

§ 602. Infringing importation of copies or phono-records

(a) Importation into the United States, without the authority of the owner of copyright under this title, of copies or phonorecords of a work that have been acquired outside the United States is an infringement of the exclusive right to distribute copies or phonorecords under section 106, actionable under section 501. This subsection does not apply to —

(1) importation of copies or phonorecords under the authority or for the use of the Government of the United States or of any State or political subdivision of a State, but not including copies or phonorecords for use in schools, or copies of any audiovisual work imported for purposes other than archival use;

(2) importation, for the private use of the importer and not for distribution, by any person with respect to no more than one copy or phonorecord of any one work at any one time, or by any person arriving from outside the United States with respect to copies or phonorecords forming part of such person's personal baggage; or

(3) importation by or for an organization operated for scholarly, educational, or religious purposes and not for private gain, with respect to no more than one copy of an audiovisual work solely for its archival purposes, and no more than five copies or phonorecords of any other work for its library lending or archival purposes, unless the importation of such copies or phonorecords is

part of an activity consisting of systematic reproduction or distribution, engaged in by such organization in violation of the provisions of section 108(g)(2).

(b) In a case where the making of the copies or phonorecords would have constituted an infringement of copyright if this title had been applicable, their importation is prohibited. In a case where the copies or phonorecords were lawfully made, the United States Customs Service has no authority to prevent their importation unless the provisions of section 601 are applicable. In either case, the Secretary of the Treasury is authorized to prescribe, by regulation, a procedure under which any person claiming an interest in the copyright in a particular work may, upon payment of a specified fee, be entitled to notification by the Customs Service of the importation of articles that appear to be copies or phonorecords of the work.

88-1099

No. 88-109 9

Supreme Court, U.S.
FILED
FEB 17 1989
JOSEPH F. SPANIOL, JR.
CLERK

IN THE
Supreme Court of the United States
OCTOBER TERM, 1988

BV ENGINEERING,
Petitioner,

v.

UNIVERSITY OF CALIFORNIA, LOS ANGELES
(THE REGENTS OF THE UNIVERSITY OF CALIFORNIA),
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

---

RESPONDENT'S BRIEF IN OPPOSITION

JAMES E. HOLST
GEORGE L. MARCHAND
ALLEN B. WAGNER *
590 University Hall
University of California
Berkeley, CA 94720
(415) 642-2822

* Counsel of Record

WILSON - EPES PRINTING CO., INC. - 789-0096 - WASHINGTON, D.C. 20001

13 pp

QUESTION PRESENTED

Does State sovereign immunity limit private copyright infringement actions against the State to prospective injunctive relief?

LIST OF PARTIES

The petitioner in this Court and the appellant below: BV Engineering. The respondent in this Court and appellee below: University of California, Los Angeles (The Regents of the University of California).

TABLE OF CONTENTS

	Page
QUESTION PRESENTED	i
LIST OF PARTIES	ii
STATEMENT OF THE CASE	1
REASONS FOR DENYING THE WRIT	3
I. THERE ARE NO "SPECIAL OR IMPORTANT" REASONS SUPPORTING THE WRIT	3
II. EXISTING INJUNCTIVE RELIEF PROVIDES AN ADEQUATE REMEDY FOR COPYRIGHT OWNERS	5
III. THE 1976 COPYRIGHT ACT DOES NOT MEET THE ATASCADERO/WELCH TEST	7
CONCLUSION	8

TABLE OF AUTHORITIES

CASES Page

Atascadero State Hospital v. Scanlon, 473 U.S. 234 (1985) 3, 4, 7
BV Engineering v. UCLA, 657 F.Supp. 1246 (C.D. Cal. 1987) 2, 3, 6
Cardinal Ind. v. Anderson Parrish Assocs., Inc. (N.D. Fla. September 6, 1985), No. 83-1038-Civ.-T-13 3
Green v. Mansour, 474 U.S. 64 (1985) 5
Johnson v. University of Virginia, 606 F.Supp. 321 W.D. Va. 1985) 4
Lane v. First Nat. Bank of Boston, 687 F.Supp. 11 (D.C. Mass. 1988) 4
Mihalek Corp. v. State of Mich., 595 F.Supp. 903 (E.D. Mich. 1984) 3
Mills Music Inc. v. Arizona, 591 F.2d 1278 (9th Cir. 1979) 3, 4
Parden v. Terminal Railway of Ala. Docks Dept., 377 U.S. 184 (1964) 4
Richard Anderson Photography v. Brown, 852 F.2d 114 (4th Cir. 1988) 4, 7
Richard Anderson Photography v. Radford University, 633 F.Supp. 1154 (W.D. Va. 1986) 4
Welch v. Dept. of Highways & Public Transp., 483 U.S. —— (1987), 97 L.Ed.2d 389, 107 S.Ct. 2941 ..... 4, 6
Wihtol v. Crow, 309 F.2d 777 (8th Cir. 1962) 3, 4, 7
Woelffer v. Happy States of America, Inc., 626 F.Supp. 499 (N.D. Ill. 1985) 3

MISCELLANEOUS

United States Constitution
Article VI, Section 2 7
United States Supreme Court
Rule 17 3
Copyright Act
1909 7
Copyright Act
1976 ..... 4, 7, 8

IN THE

Supreme Court of the United States

OCTOBER TERM, 1988

No. 88-109

BV ENGINEERING,

Petitioner,

v.

UNIVERSITY OF CALIFORNIA, LOS ANGELES
(THE REGENTS OF THE UNIVERSITY OF CALIFORNIA),

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

---

RESPONDENT'S BRIEF IN OPPOSITION

STATEMENT OF THE CASE

Respondent The Regents of the University of California ("University") is a constitutional agency of the State of California. (California Constitution, Article IX, section 9.)

In 1986, the University's Los Angeles campus, Physics Department, purchased seven software items from petitioner BV Engineering ("BV") for a total cost of $597.09, for use in its electronic design and repair shop. At that time, BV's software catalog and registration cards expressly permitted a purchaser's copying "for your personal use or back-up purposes." The University

made three copies of the software for back-up and Department use and ten copies of the manuals to be read by the electronic shop personnel. Later, a copy of the software and manuals were loaned to a physics professor and his student assistant for evaluation in connection with a new laboratory course of instruction they were developing (DN [1] 13, 15 and 16.)

In a June 1986 letter, BV's counsel characterized the University's activity as unauthorized and a copyright infringement. The University's response: expressed a belief its conduct was authorized; apologized for the apparent "innocent error"; offered to destroy or ship the accused copies to BV; and gave "assurance that no further copies will be made." (DN 13.) BV did not reply or further communicate with the University until its August 1, 1986, service of the complaint filed in this case. The litigation proceeded to cross-motions for summary judgment, after the University *refused* to pay BV's $15,000 (statutory damages and attorney's fees) settlement demand. (DN 8.)

The University's Motion for Summary Judgment asserted four independent grounds: (1) that state sovereign immunity barred the action for monetary damages; (2) that BV's claims did not arise under the federal copyright laws because the University's copying was authorized; (3) that BV's copyrights were not infringed because the University's conduct constituted a fair and permissible use; and (4) that there was no basis for any relief, since BV had not been damaged and the University had ceased the accused conduct. (DN 18.) The opinion of the United States District Court for the Central District of California (reported at *BV Engineering v. UCLA*, 657 F. Supp. 1246 (C.D. Cal. 1987) granted the University's Motion for Summary Judgment on the first

---

[1] "DN" means document number from the Docket Sheet in *BV Engineering v. UCLA*, 657 F.Supp. 1246 (C.D. Cal. 1987).

stated ground, based upon *Atascadero State Hospital v. Scanlon*, 473 U.S. 234 (1985). The District Court noted BV did *not* seek injunctive relief. (*BV Engineering* at fn. 2.)

The opinion of the United States Court of Appeals for the Ninth Circuit, affirming the District Court's order (and overturning *Mills Music Inc. v. Arizona*, 591 F.2d 1278 (9th Cir. 1979)), is reported at 858 F.2d 1394 (9th Cir. 1988).

REASONS FOR DENYING THE WRIT

I. THERE ARE NO "SPECIAL OR IMPORTANT" REASONS SUPPORTING THE WRIT

Rule 17 of the United States Supreme Court provides that a writ of certiorari will be granted "only when there are special and important reasons therefore." The only Rule 17 criteria possibly applicable to this case is stated in 17.1(c) favoring writs where "a federal court of appeal has decided an important question of federal law which has not been, but should be settled by this Court . . . ."

While this Court has not specifically addressed the application of state sovereign immunity to private monetary claims under the copyright laws, *all* the federal courts (appellate or district) that have considered the issue, are now in accord; each holds state sovereign immunity bars such private monetary claims.[2] The only

---

[2] State sovereign immunity precluded private monetary damage claims under federal copyright law in the following cases: *Wihtol v. Crow*, 309 F.2d 777 (8th Cir. 1962); *Mihalek Corp. v. State of Mich.*, 595 F.Supp. 903 (E.D. Mich. 1984), *aff'd on other gnds* 814 F.2d 290 (6th Cir. 1987), *cert. den.* (1987) 108 S.Ct. 503; *Woelffer v. Happy States of America, Inc.*, 626 F.Supp. 499 (N.D. Ill. 1985); *Cardinal Ind. v. Anderson Parrish Assocs., Inc.* (N.D. Fla. September 6, 1985), No. 83-1038-Civ.-T-13 (unreported), *aff'd without opinion*, 811 F.2d 609 (11th Cir. 1987), *cert. den. sub nom.* (1987),

two federal judicial expressions to the contrary[3] have been abandoned. These two cases were based upon the theory of implied Congressional abrogation, suggested in *Parden v. Terminal Railway of Ala. Docks Dept.*, 377 U.S. 184 (1964) and rejected in *Welch v. Dept. of Highways & Public Transp.*, 483 U.S. —— (1987), 97 L.Ed.2d 389, 107 S.Ct. 2941. As this Court withdrew implied Congressional abrogation and established the requirement for an "unequivocal expression" of Congressional intent to abrogate state sovereign immunity (the "*Atascadero/Welch* test") both circuits abandoned implied abrogation and effectively overturned the prior decisional support for it.[4] Moreover, every judicial decision on whether the 1976 Copyright Act meets the "unequivocal expression" *Atascadero/Welch* test has concluded the statute lacked the requisite clarity of expression.[5] Thus, there is no confusion, uncertainty or important issue of federal law regarding interpretation of the 1976 Copyright Act or the application of state sov-

---

108 S.Ct. 88; *Richard Anderson Photography v. Radford University*, 633 F.Supp. 1154 (W.D. Va. 1986) (rejecting *Johnson v. University of Virginia*, 606 F.Supp. 321 (W.D. Va. 1985)) *aff'd Richard Anderson Photography v. Brown*, 852 F.2d 114 (4th Cir. 1988) *cert. pending*, No. 88-651; and *Lane v. First Nat. Bank of Boston*, 687 F.Supp. 11 (D.C. Mass. 1988), *appeal pending* (1st Cir. 1988) No. 88-1815.

[3] *Mills Music, Inc. v. Arizona*, 591 F.2d 1278 (9th Cir. 1979); and its progeny *Johnson v. University of Virginia*, 606 F.Supp. 321 (W.D. Va. 1985).

[4] The *Mills Music* decision was overturned by the 9th Circuit decision in this case, *see* 858 F.2d at 1397-1398, fn. 1; and, Judge Michael's decision in *Johnson* (relying upon *Mills Music*) was subsequently rejected by Judge Kiser in *Richard Anderson Photography v. Radford University*, 633 F.Supp. 1154 (W.D. Va. 1986) (relying upon *Atascadero State Hospital v. Scanlon*, 473 U.S. 234 (1985). Judge Kiser's opinion was subsequently affirmed *Richardson Anderson Photography v. Brown*, 852 F.2d 114 (4th Cir. 1988) *cert. pending*, No. 88-651.

[5] See cases cited in footnote number 2, sans the *Wihtol v. Crow* 1962 decision.

ereign immunity meriting the attention of this Court, unless the Court wishes to change its ruling in *Atascadero* and *Welch*.

II. EXISTING INJUNCTIVE RELIEF PROVIDES AN ADEQUATE REMEDY FOR COPYRIGHT OWNERS

Without citation to any instance of State copyright abuse, BV argues that prospective injunctive relief is inadequate and that private monetary awards must be available to protect private copyright owners. BV then reasons that since Congress gave the federal judiciary exclusive jurisdiction over copyright infringements, our state sovereignty and federalism must (by implication or necessity) be abandoned in order to protect those private copyright owner's monetary interests.

BV's argument is contrary to this Court's jurisprudence. This Court has repeatedly distinguished its effort to vindicate federal supremacy from private monetary compensation. As expressed by Chief Justice Rehnquist in *Green v. Mansour*, 474 U.S. 64 at p. 68 (1985):

> Both prospective and retrospective relief implicate Eleventh Amendment concerns, but the availability of prospective relief of the sort awarded in Ex parte Young gives life to the Supremacy Clause. Remedies designed to end a continuing violation of federal law are necessary to vindicate the federal interest in assuring the supremacy of that law. . . . But compensatory or deterrence interests are insufficient to overcome the dictates of the Eleventh Amendment. . . .

And, as Justice Powell noted in the *Welch*:

> The dissents statement that sovereign immunity "protect[s] the States from the consequences of their illegal conduct" erroneously suggests that aggrieved individuals are left with no remedy for harmful state actions. Relief often may be obtained through suits against state officials rather than the State itself, or through injunctive or other prospective

> remedies. . . . That States are not liable in other circumstances is a necessary consequence of their role in a system of dual sovereignties. Although the dissent denies that sovereign immunity is " 'required by the structure of the federal system,' " . . . the principle has been deeply embedded in our federal system from its inception." (*Welch v. Dept. of Highways & Public Transp.*, 483 U.S. —— (1987), 97 L.Ed.2d 389, 405-406, 107 S.Ct. 2941.)

As noted, BV did *not* seek an injunction or monetary relief against any state official, rather it sought solely a monetary claim against the University (*BV Engineering* at p. 1250, fn. 2). Indeed, since all the accused copies were tendered to BV along with the University's commitment precluding any future reproduction, BV suffered no *actual* damages and the *only* monetary claim available to BV would be statutory damages. A prospective injunction against officials acting under color of state authority would afford an adequate and appropriate remedy for BV's claim of copyright infringement.

Moreover, the Congressional grant of exclusive jurisdiction to the federal judiciary merely provides what was always a recognized possibility. State sovereign immunity begins with the State's immunity from suit in its own courts. State sovereign immunity from monetary claims in federal court has never been conditioned upon a waiver of State sovereign immunity in state courts. In granting the federal judiciary exclusive jurisdiction, Congress did no more than what the States have always been able to do—that is, preclude a State forum for monetary claims. If Congress wishes to permit private monetary claims against the State for copyright infringement, it can do so by granting concurrent jurisdiction to state courts. By merely granting exclusive jurisdiction to the federal judiciary, Congress has not "unequivocally expressed" an intention to abrogate the State's constitutionally protected sovereign immunity, nor has it denied

a diligent BV an adequate means to prospectively protect its copyrights.

Substantive federal copyright law applies to the University's conduct. There is *no* issue or question raised over that application. The supremacy provision of the United States Constitution (Article VI, section 2) mandates the application of federal substantive law to the prospective conduct of the University. However, the principle of federal supremacy does *not* necessitate abandonment of the federal republic or abrogation of State sovereign immunity from private monetary claims. Such an abrogation would change the State from sovereign to subject, contrary to our principles of federalism.

III. THE 1976 COPYRIGHT ACT DOES NOT MEET THE ATASCADERO/WELCH TEST

BV also argues the 1976 Copyright Act meets the "unequivocal expression" *Atascadero/Welch* test. In response, the University incorporates and relies upon the Ninth Circuit analysis (below), and the Fourth Circuit analysis in *Richard Anderson Photography*. There is no equivocation in the statutory analysis offered by those opinions. The 1976 Copyright Act simply does not unequivocally express or clearly articulate a congressional intention to abrogate State sovereign immunity from private monetary claims for copyright infringement.

Moreover, the context of the 1976 Copyright Act does not support BV's contention. At the time Congress considered that Act, the sole appellate court opinion on the issue was the Eighth Circuit's *Wihtol v. Crow*, 309 F.2d 777 (8th Cir. 1962) decision, holding the Eleventh Amendment barred the copyright infringement suit against the State (under the 1909 Copyright Act). BV's argument that Congress "unequivocally expressed" its intention to abrogate state sovereign immunity is without merit absent *any* Congressional reference to the sole fed-

eral appellate adjudication on the issue, which was to the contrary. BV's argument turns the *Atascadero/Welch* test inside out, and would require an unequivocal expression if Congress intended *not* to affect the state's sovereignty. It would give rise to a presumed inference *against* our federalism, if not signal its demise.

CONCLUSION

BV's argument that state sovereign immunity denies redress for private copyright owners overstates its case and fails to acknowledge the adequacy of prospective injunctive relief. Congress's provision of federal judiciary exclusive jurisdiction for copyright matters does not reflect (by implication or necessity) an "unequivocal expression" to abrogate state sovereign immunity. Congress merely closed the State court's door on a matter otherwise committed to the State's discretion. Abrogation of the State's constitutionally protected immunity in federal court (principled in our federalism) requires a clearer expression of intent. And, both the context and content of the 1976 Copyright Act do *not* demonstrate such an articulated intent.

The Petition for Writ of Certiorari should be denied.

Respectfully submitted,

JAMES E. HOLST
GEORGE L. MARCHAND
ALLEN B. WAGNER *
590 University Hall
University of California
Berkeley, CA 94720
(415) 642-2822

Dated: February 17, 1989

* Counsel of Record

AMICUS

BR

CURIAE

IEF

JAN 28 1989

No. 88-1699

In The
Supreme Court of the United States

October Term, 1988

BV ENGINEERING,
Petitioner,

vs.

UNIVERSITY OF CALIFORNIA, LOS ANGELES (THE REGENTS OF THE UNIVERSITY OF CALIFORNIA),
Respondent.

On Writ of Certiorari
to the United States Court of Appeals
for the Ninth Circuit

MOTION FOR LEAVE TO FILE BRIEF AMICUS CURIAE OF COLUMBIA PICTURES INDUSTRIES, INC.; MGM/UA COMMUNICATIONS CO.; ORION PICTURES CORPORATION; PARAMOUNT PICTURES CORPORATION; TRI-STAR PICTURES, INC.; TWENTIETH CENTURY FOX FILM CORPORATION; UNIVERSAL CITY STUDIOS, INC.; THE WALT DISNEY COMPANY; AND WARNER BROS. INC. AND BRIEF AMICUS CURIAE

LEWIS AND ROCA

By John P. Frank
Susan M. Freeman
100 West Washington Street
Phoenix, Arizona 85003
Telephone 602/262-5311

Counsel of Record for the Amici

Of Counsel
Sargoy, Stein & Hanft
Jeffrey Rosen
Harvey Shapiro
105 Madison Avenue
New York, New York 10016-7418
Telephone 212/889-1420

No. 88-1099

In The

Supreme Court of the United States

October Term, 1988

BV ENGINEERING,
Petitioner,

vs.

UNIVERSITY OF CALIFORNIA, LOS ANGELES (THE REGENTS OF THE UNIVERSITY OF CALIFORNIA),
Respondent.

On Writ of Certiorari
to the United States Court of Appeals
for the Ninth Circuit

MOTION FOR LEAVE TO FILE BRIEF AMICUS CURIAE OF COLUMBIA PICTURES INDUSTRIES, INC.; MGM/UA COMMUNICATIONS CO.; ORION PICTURES CORPORATION; PARAMOUNT PICTURES CORPORATION; TRI-STAR PICTURES, INC.; TWENTIETH CENTURY FOX FILM CORPORATION; UNIVERSAL CITY STUDIOS, INC.; THE WALT DISNEY COMPANY; AND WARNER BROS. INC.

Columbia Pictures Industries, Inc., MGM/UA Communications Co., Orion Pictures Corporation, Paramount Pictures Corporation; Tri-Star Pictures, Inc.; Twentieth Century Fox Film Corporation; Universal City Studios, Inc.; The Walt Disney Company; and Warner Bros. Inc. hereby respectfully move

for leave to file the attached brief amicus curiae in this case. The consent of the attorney for the petitioner has been obtained. The consent of the attorney for the respondent was requested but refused.

The interest of the amici in this case arise from the determination by the court below that copyright holders are barred under the Eleventh Amendment from suing states or state agencies for copyright infringement under Title 17 U.S.C. The amici and companies affiliated with the amici are owners of much larger amounts of copyright material than the petitioner. These copyrighted motion pictures very commonly come into the hands of states and state agencies. The amici thus have a very large financial interest in the outcome of this cause, which in some cases may affect the existence of their enterprises. They desire to bring to the attention of the Court information as to the public importance of the question presented, which may assist the Court in determining whether to grant this petition for certiorari.

Respectfully submitted.

LEWIS AND ROCA

By _____

John P. Frank
Susan M. Freeman
100 West Washington Street
Phoenix, Arizona 85003
Telephone 602/262-5311

Counsel of Record for the Amici

Of Counsel
Sargoy, Stein & Hanft
Jeffrey Rosen
Harvey Shapiro
105 Madison Avenue
New York, New York 10016-7418
Telephone 212/889-1420

LIST OF PARENT COMPANIES, SUBSIDIARIES OTHER THAN WHOLLY-OWNED SUBSIDIARIES, AND AFFILIATES OF AMICI

The corporate affiliates of the amici are as follows:

1. Columbia Pictures Industries, Inc., a wholly-owned subsidiary of Columbia Pictures Entertainment, Inc., a publicly owned corporation.
2. MGM/UA Communications Co., a publicly owned corporation.
3. Orion Pictures Corporation.
4. Paramount Pictures Corporation, a wholly-owned subsidiary of Gulf-Western Inc., a publicly owned corporation.
5. Tri-Star Pictures, Inc., a wholly-owned subsidiary of Columbia Pictures Entertainment, Inc.
6. Twentieth Century Fox Film Corporation, a wholly-owned subsidiary of Fox, Inc., a publicly held corporation.
7. Universal City Studios, Inc., a wholly-owned subsidiary of MCA, Inc., a publicly held corporation.
8. The Walt Disney Company.
9. Warner Bros. Inc., a wholly-owned subsidiary of Warner Communications, Inc., a publicly held corporation.

In The

Supreme Court of the United States

October Term, 1988

BV ENGINEERING,
Petitioner,

vs.

UNIVERSITY OF CALIFORNIA, LOS ANGELES (THE REGENTS OF THE UNIVERSITY OF CALIFORNIA),
Respondent.

On Writ of Certiorari
to the United States Court of Appeals
for the Ninth Circuit

BRIEF AMICUS CURIAE OF COLUMBIA PICTURES INDUSTRIES, INC.; MGM/UA COMMUNICATIONS CO.; ORION PICTURES CORPORATION; PARAMOUNT PICTURES CORPORATION; TRI-STAR PICTURES, INC.; TWENTIETH CENTURY FOX FILM CORPORATION; UNIVERSAL CITY SUTDIOS, INC.; THE WALT DISNEY COMPANY; AND WARNER BROS. INC.

LEWIS AND ROCA

By John P. Frank
Susan M. Freeman
100 West Washington Street
Phoenix, Arizona 85003
Telephone 602/262-5311

Counsel of Record for the Amici

Of Counsel
Sargoy, Stein & Hanft
Jeffrey Rosen
Harvey Shapiro
105 Madison Avenue
New York, New York 10016-7418
Telephone 212/889-1420

TABLE OF CONTENTS

	Page
TABLE OF AUTHORITIES	ii
QUESTION PRESENTED	1
RULE 28.1 LIST	2
OPINIONS BELOW	2
JURISDICTION	2
CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED	2
STATEMENT OF THE CASE	3
REASONS FOR GRANTING THE WRIT	3
I. The Interest Of These Amici: Economically Important Questions	5
II. The Decision Affects Other Industries On A Similar Scale	9
III. The Copyright Act Meets The Test of *Atascadero*, And Is Explicit Enough To Show That Congress Intended The States To Be Subject To Copyright Infringement Suits	10
IV. Congressional And Bankruptcy Aspects Of This Petition	12
A. Congressional Amendment	12
B. Consideration Of The Copyright Act Will Be Useful In Pending Evaluation Of Comparable Provisions Of The Bankruptcy Code	13
CONCLUSION	14

TABLE OF AUTHORITIES

Case	*Page*
Atascadero State Hospital v. Scanlon, 473 U.S. 234, 105 S. Ct. 3142, 87 L. Ed. 2d 171 (1985)	4,10,13
BV Engineering v. University of California, Los Angeles, 858 F.2d 1394 (9th Cir. 1988)	2
BV Engineering v. University of California, Los Angeles, 657 F. Supp. 1246 (C.D. Cal. 1987)	2
Columbia Pictures v. Wisconsin Dept. of Health & Social Services, No. 23-C-1496R (E.D. Wis.)	7
Dowling v. United States, 473 U.S. 207, 105 S. Ct. 3127, 87 L. Ed. 2d 152 (1985)	3
Encyclopedia Britannica Educational Corp. v. Crooks, 542 F. Supp. 1156 (W.D.N.Y. 1982)	7
Hoffman v. Connecticut [No. 88-412], 850 F.2d 50 (2d Cir. 1988)	13
Mills Music, Inc. v. Arizona, 591 F.2d 1278 (9th Cir. 1979)	4
Patsy v. Board of Regents, 457 U.S. 496, 102 S. Ct. 2557, 73 L. Ed. 2d 172 (1982)	12
Richard Anderson Photography v. Brown [No. 88-651], 852 F.2d 114 (4th Cir. 1988)	4,10
Sony Corp. v. Universal City Studios, Inc., 464 U.S. 417, 104 S. Ct. 774, 78 L. Ed. 2d 574 (1984)	7
United States v. Union Gas Co., 832 F.2d 1343 (3d Cir.), *cert. granted sub nom., Pennsylvania v. Union Gas Co.*, 108 S. Ct. 219 (1988)	13
Rules, Regulations and Statutes	
Bankruptcy Code:	
Section 106(c)	13

TABLE OF AUTHORITIES

Rules, Regulations and Statutes (continued)	*Page*
United States Code:	
15 U.S.C. §1121	10
Title 17, U.S.C.	3
17 U.S.C. §§ 101-810	2
17 U.S.C. § 106 *et seq.*	4
17 U.S.C. § 110(1)	11
17 U.S.C. § 110(2)	3,11
17 U.S.C. § 110(6)	3,11
17 U.S.C. § 110(8)	3
17 U.S.C. § 111(a)(2)	3
17 U.S.C. § 111(a)(4)	3
17 U.S.C. § 112(b)	3,11
17 U.S.C. § 112(c)	3
17 U.S.C. § 112(d)	3
17 U.S.C. § 118(d)(3)	3,12
17 U.S.C. § 301(a)	3
17 U.S.C. § 501(a)	2
17 U.S.C. § 501(b)	2
17 U.S.C. § 504(a)	2
17 U.S.C. § 601(b)(3)	3,12
17 U.S.C. § 602(a)	12
17 U.S.C. § 602(a)(1)	3
28 U.S.C. § 1254(1)	2
28 U.S.C. § 1338(a)	2,10
28 U.S.C. § 1498(b)	11

TABLE OF AUTHORITIES

Rules, Regulations and Statutes (continued) *Page*

United States Constitution:

art. I, § 8, cl. 8 2,10

Eleventh Amendment 1,3,4,5,13

Other Authorities

Association for Information Media and Equipment, Statistical Survey, 1987 8

Attorney General of California Opinion No. 86-801, January 21, 1988 7

Attorney General of California Opinion No. 81-503, 1982 7

Attorney General of North Carolina Opinion, March 16, 1987 4

Copyright Liability of States and the Eleventh Amendment, A Report of the Register of Copyrights, June 1988 4,12

Hearings, General Revision of the Copyright Law, 72nd Cong., 1st Sess., on H.R. 10976, Mar. 21, 24, 25 (1932) 11

Judge Richard Posner, *Economic Analysis of Law* (2d ed. Little, Brown 1977) 9

Motion Picture Association of America, Inc., Annual Anti-Piracy Survey (1988) 7

No. 88-1099

In The
Supreme Court of the United States

October Term, 1988

BV ENGINEERING,
Petitioner,

vs.

UNIVERSITY OF CALIFORNIA, LOS ANGELES (THE REGENTS OF THE UNIVERSITY OF CALIFORNIA),
Respondent.

On Writ of Certiorari
to the United States Court of Appeals
for the Ninth Circuit

BRIEF IN SUPPORT OF MOTION FOR LEAVE TO FILE BRIEF AMICUS CURIAE OF COLUMBIA PICTURES INDUSTRIES, INC.; MGM/UA COMMUNICATIONS CO.; ORION PICTURES CORPORATION; PARAMOUNT PICTURES CORPORATION; TRI-STAR PICTURES, INC.; TWENTIETH CENTURY FOX FILM CORPORATION; UNIVERSAL CITY STUDIOS, INC.; THE WALT DISNEY COMPANY; AND WARNER BROS. INC.

QUESTION PRESENTED

Does the Eleventh Amendment bar copyright owners from suing in federal court for the recovery of damages against states who infringe their copyrights, even though Congress

has made the federal courts the exclusive forum for actions under the Copyright Act of 1976 (17 U.S.C. §§ 101-810 and 28 U.S.C. § 1338(a))?

RULE 28.1 LIST

The affiliated parties required to be enumerated under Rule 28.1 are listed in connection with the motion attached to this brief.

OPINIONS BELOW

The opinion of the United States Court of Appeals for the Ninth Circuit, affirming the District Court's Order granting summary judgment and barring BV Engineering's damage action for copyright infringement against the University of California, Los Angeles (UCLA), an instrumentality of the State of California, is reported at 858 F.2d 1394 (9th Cir. 1988) and is reprinted at pages A1 through A13 of the Appendix to Petitioner's brief. The opinion of the United States District Court for the Central District of California granting summary judgment for UCLA is reported at 657 F. Supp. 1246 and is reprinted at pages A14 through A23 of the Appendix to Petitioner's brief.

JURISDICTION

The judgment of the United States Court of Appeals for the Ninth Circuit was entered on October 3, 1988. The petitioner has invoked jurisdiction pursuant to 28 U.S.C. § 1254(1). This Court has authority to accept amicus briefs pursuant to its Rule 36.

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

This case involves article I, section 8, clause 8 (the "Copyright and Patent Clause") and the Eleventh Amendment of the Constitution of the United States.

This case also involves sections 501(a) and (b) and 504(a) of the Copyright Act of 1976 (17 U.S.C. §§ 501(a) and (b), 504(a)), granting copyright owners a damage remedy against "anyone" who infringes a copyright, section 1338(a) of title 28, which provides that the federal district courts shall have

exclusive jurisdiction in copyright cases, and section 301(a) of title 17, which preempts state law causes of action that might allow aggrieved copyright owners to obtain damages in state court. Finally it involves sections 601(b)(3), 602(a)(1), 110(2), 110(6), 110(8), 111(a)(2), 111(a)(4), 112(b), 112(c), 112(d) and 118(d)(3) of title 17, the Copyright Act of 1976, and former section 601(b)(3) of that title, all of which exhibit Congress' intent to subject the states to suit for copyright infringement under most conditions.

STATEMENT OF THE CASE

The facts are fully described in the petition for certiorari and since this amicus brief is focused on the public importance of the questions presented, we state the facts only briefly to avoid duplication. The substance of the matter is that the Ninth Circuit Court of Appeals has held that an engineering company which provided copyrighted materials to a state university is barred under the Eleventh Amendment from proceeding for damages against the state, which admittedly has infringed the copyright by making and using unauthorized copies.

The "public importance" facts of this dispute are set forth in the brief following.

REASONS FOR GRANTING THE WRIT

This is an important question of federal law which has not been, but should be, settled by this Court, and this case thus meets the standards of Rule 17 of this Court governing review on certiorari.

The taking and using of copyrighted materials without paying for them is an invasion of rights and a criminal violation, in most instances. *See Dowling v. United States,* 473 U.S. 207, 105 S. Ct. 3127, 87 L. Ed. 2d 152 (1985). The question is whether the Eleventh Amendment immunizes states and state public bodies and instrumentalities from responsibility for this type of conduct.

A decision foreclosing copyright enforcement against states from the country's largest circuit is important enough, but in

addition there is a similar decision from the Fourth Circuit Court of Appeals, *Richard Anderson Photography v. Brown* [No. 88-651], 852 F.2d 114 (4th Cir. 1988). Those circuits have concluded that insulation from liability for copyright infringement was mandated by a decision of this Court, *Atascadero State Hospital v. Scanlon,* 473 U.S. 234, 105 S. Ct. 3142, 87 L. Ed. 2d 171 (1985).[1] On the merits, we do not believe that this Court in *Atascadero* meant to go so far.

The Fourth and Ninth Circuit decisions are by no means restricted in practical effect to the particular institutions involved. State agencies are now using the Eleventh Amendment to nullify the copyright laws. For very concrete illustration, *see* opinion of Attorney General of North Carolina, March 16, 1987, resting explicitly on cases now before this Court and concluding that in the light of the sovereign immunity holdings, "showing of video tapes to prison inmates would not subject the state to liability under the Federal Copyright laws, 17 U.S.C. § 106, *et seq.*"

Additionally, for example, correctional institutions in Kansas, West Virginia, Idaho, Utah, Delaware, North Carolina and Rhode Island are refusing to pay for films they use.[2]

Certiorari should be granted because of the public importance of the question presented, demonstrated by the number of amici from other industries allowed below. The amici allowed in the Ninth Circuit were the National Music Publishers' Association, Inc., American Society of Composers, Authors and Publishers, Broadcast Music, Inc., Music Publishers' Association of the United States, Inc., Song Writers Guild of America, Association of American Publishers, Inc., Association of American University Presses, Inc., Information

---

[1] This required the Ninth Circuit to reverse its own earlier ruling, *Mills Music, Inc. v. Arizona,* 591 F.2d 1278 (9th Cir. 1979).

[2] Memorandum, Films Incorporated, Jan. 11, 1989. Specific enforcement problems with a county college, a California hospital association, and with the Minnesota Department of Human Services were also described in Copyright Liability of States and the Eleventh Amendment, A Report of the Register of Copyrights, June 1988 at pp. 7-9.

Industry Association, ADAPSO, the Computer Software and Services Industry Association, Inc., American Intellectual Property Law Association, as well as the amici on this brief, which in itself is some demonstration of the magnitude of the problem.

I. The Interest Of These Amici: Economically Important Questions.

The Eleventh Amendment does not nullify the Copyright Act as a matter of law. But as interpreted by the Ninth Circuit, it renders copyright protection illusory as a matter of fact for several industries intended by Congress to be within the scope of such protection.

The amici are significant producers and distributors of copyrighted motion pictures. Their motion pictures are usually released to the public first through movie theatres. But after their initial theatrical distribution, a significant part of each film's value is derived from the nontheatrical and public market. The revenues flow to this very high cost industry first, from the licensing of showing of feature pictures, and second, and more recently, by the production and distribution of video cassettes. The legal pedestal on which the revenues from both rest is copyright.

First a word as to the scope of the state public market: [3]

[3] Figures supplied by Films Inc., a major supplier of motion pictures for nontheatrical performance.

State Colleges: 2,066
State College Students: 4.8 million
Approximate Number of State Related Prisons: 1,552
Total Number of Inmates: 679,000
Hospitals
Total Beds in State Hospitals: 1.005 million
Libraries
Number of State Related Libraries: 95,144
Average Number of Cardholders at Libraries: 10,000

This total public market is at jeopardy under the decision sought to be reviewed. For example, the Waterbury, Connecticut Public Library is part of a state system. It purchases cassettes of feature films from Baker and Taylor, a legitimate wholesaler of video cassettes manufactured under the authority of the amici. In November 1987, 1,455 video cassettes were loaned to library users in the same fashion as books. Lending cassettes is a common practice among the larger libraries of the state. Baker and Taylor advises that libraries and schools now are spending $41 million a year on entertainment video cassettes and video equipment and related products, with 30% of those libraries charging for lending cassettes. The market for the sale of legitimate video cassettes to libraries and other state institutions may be destroyed if states are immune from suit for copyright infringement.

Two of the major American nontheatrical performance licensors are Swank Motion Pictures and Films Inc. Swank derives three-fourths of its revenues from licenses with state operated and state supported institutions. It estimates its annual losses from unauthorized use of entertainment films if copyright fees are no longer collectible from state institutions at $4.6 million. Films Inc. derives revenues of approximately $3.3 million from state colleges; $1.3 million from state universities; $1.1 million from over 1,500 state correctional facilities nationwide; $1.0 million from state libraries; and $400,000 from state hospitals. If states are shielded by the Eleventh Amendment, these markets would likely be lost to infringing duplication, distribution and performances.

Piracy of motion pictures, even now, with best efforts at copyright enforcement, amounts to some $110 million a year for home videos.[4] The amici's trade association maintains an anti-piracy office which nationally deals with tens of thousand of pirated copies a year. The industry seeks to assure copyright law enforcement to control this evil, and has brought or assisted the federal government in filing over 200 cases in 1988. The amici budget to fight motion picture piracy for 1988 was approximately $2.5 million, exclusive of counsel fees.[5] States' payment of license fees for the use of copyrighted works in this market demonstrates that these entities believed themselves subject to suit under the copyright act. The courts have confirmed this belief.

Columbia Pictures v. Wisconsin Dept. of Health & Social Services held that public bodies may not, without violation of copyright, perform rented or purchased cassettes for large groups in prisons, E.D. Wis. Civ. Action No. 23-C-1496R. In *Encyclopaedia Britannica Educational Corp. v. Crooks,* 542 F. Supp. 1156 (W.D.N.Y. 1982), the court held that the Board of Cooperative & Educational Services, a state-related agency in Erie County, New York, was in violation of the copyright law in making large-scale, off-air video tape reproductions of copyright works.

Even after this Court decided *Sony Corp. v. Universal City Studios, Inc.,* 464 U.S. 417, 104 S. Ct. 774, 78 L. Ed. 2d 574 (1984), the Attorney General of California issued an opinion to state agencies that the performance of prerecorded purchased or rented video cassettes of copyrighted motion pictures would be an infringement of the copyright. *See* A.G. Cal. 86-801, January 21, 1988. This flowed from an earlier California Attorney General's opinion, 81-503 (1982), that

---

[4] Motion Picture Association of America, Inc. Annual Anti-Piracy Survey (1988).

[5] *Id.* The budget will dramatically escalate if cease and desist demand letters are no longer effective at least 50% of the time, as has been the case before the Ninth Circuit decision.

unauthorized showing of video cassette tapes in prisons is a copyright infringement.

This is all waste learning if correctional institutions, hopefully not repeating the sins of some inmates, can take and not pay; and yet in the light of the decision below and the Fourth Circuit case, this is, as we have enumerated specifically, precisely what is happening.

The decision below, in substance, is legalized piracy by public agencies. Many if not most of the sub-distributors of films and videotapes would be forced out of business if states could refuse to meet their copyright commitments with impunity. The amici would suffer the loss of millions of dollars. Colleges could obtain a single print of a major film, even illegitimately, show it in campus theatres, rent copies to students and sell video cassettes in the campus bookstore, without paying a cent to those who incurred the cost of production or initial purchase. A state university's central purchasing department could obtain a film or series, and distribute it to countless campuses, free of royalties or licensing fees.

These hazards are not visionary nor bad dreams. The "public piracy" practice encouraged by this and the Fourth Circuit decision is spreading rapidly already. The consequences extend beyond entertainment, to educational and training films as well. Sales of educational audiovisual materials to schools and libraries alone approached $100 million in 1987. [6] Not only are films used at all educational levels, from grade schools through universities, but they are also an essential training device at hospitals, law enforcement agencies, prisons, health agencies, tourism bureaus, and large numbers of other state institutions. Permitting state entities to obtain pirated films, to show and lend them, to copy and sell them, at no charge and keeping all profits, could, in all sobriety, be the death of this industry.

---

[6] Association for Information Media and Equipment ("AIME"), Statistical Survey, 1987. AIME members represent approximately 75% of such sales. A recent AIME membership survey estimates annual losses due to copyright infringement by schools and libraries to be in excess of $13,000,000.

Users are losers, too, and the refusal of shortsighted state agencies to take product without paying for it may well dry up their own sources as well. Producers or distributors doing so for nothing will doubtless stop producing or distributing. Whether teaching surgical techniques or parenting skills, reading readiness or police-community relations, the loss of educational films as a training tool will have widespread public impact. With thousands of public purchasers, we cannot rely on the market righting itself and integrity being reinstated as a necessity to get product; and, in the interim, the educational film industry may be destroyed. [7]

II. The Decision Affects Other Industries On A Similar Scale.

Just as the use of video cassettes is extensive in schools and other state agencies, the use of copyrighted computer software is also abundant, educating students and state employees, and helping to run state agencies. If educational institutions could freely obtain, copy and disseminate computer programs without charge and with impunity, software engineers and programmers would suffer enormous financial setbacks.

---

[7] Marketing decisions cannot be made without some constant factors. One of those factors must be legal standards applicable to all buyers, or the entire market may well be lost. Those not bound by common rules (to whom sales cannot profitably be made) can buy from and resell to those who are bound, undercutting the seller. To overcome the problem, the seller would have to contractually require its legally restricted buyers not to resell to non-restricted others. Enforcement of such contractual terms by terminating sales even to its own buyers would further reduce its market, perhaps below break-even production. *See* Judge Richard Posner, *Economic Analysis of Law* at 66-67 (2d ed. Little, Brown 1977):

> The individual who regularly failed to perform his side of bargains would find it difficult to find anyone willing to enter into exchanges with him — a costly penalty — except perhaps upon deposit of adequate security — also a costly penalty . . . Such a system would not be very efficient. . . .

The economic costs and tribulations of forcing uniform compliance with copyright laws through the market, rather than the law, are high, and ought not be imposed.

The impact of the Ninth Circuit decision on the textbook publishing industry is even more overwhelming. There is little market for copyrighted textbooks outside of state educational institutions. When teachers can photocopy textbooks for their classes, sharply reducing royalty payments to writers, fewer will write and the charges to those who have to pay inevitably will escalate. [8]

III. The Copyright Act Meets The Test of *Atascadero*, And Is Explicit Enough To Show That Congress Intended The States To Be Subject To Copyright Infringement Suits.

The Constitution authorizes Congress to enact laws to secure "for limited times to authors and inventors the exclusive right to their respective writings and discoveries." U.S. Const., art. I, § 8, cl. 8. The Copyright Act, as amended, was enacted pursuant to this authority, and it grants to "authors" substantially "exclusive" copyright protection in original works of authorship, subject to specific and narrow exemptions or compulsory licenses.

The Copyright Act of 1976 expressly allows suit against "anyone," [9] it authorizes narrow exemptions to infringement only for certain limited state activities, and imposes proce-

---

[8] The likely effect of the Ninth Circuit's holding on textbook publishers and authors is described in the amici curiae brief filed by the Association of American Publishers, Inc. and the Association of American University Presses, Inc. in support of the petition for writ of certiorari from the Fourth Circuit decision of *Richard Anderson Photography v. Brown* [No. 88-651], 852 F.2d 114 (4th Cir. 1988).

[9] Actions for infringement of statutory copyright lie exclusively within the jurisdiction of the federal courts. 28 U.S.C. § 1338(a). By contrast, a suit which alleges a violation of a provision of the federal Lanham Trademark Act is not necessarily exclusive of the state courts and may be pursued in either federal or state court. 28 U.S.C. § 1338(a) and 15 U.S.C. § 1121.

dures for suits against the government, [10] which when taken together prove the breadth of the rule as extending over states.

We are not dealing with some recently developed industry. The Motion picture industry is older than the Copyright Act of 1909, and it and the Congress have functioned throughout the 20th century on the assumption that films are copyrighted and that infringement is subject to suit. An illustration recognizing state copyright obligations is 17 U.S.C. § 110(6), wherein certain performances of nondramatic musical works are exempt if performed "by a governmental body or nonprofit agricultural or horticultural organization, in the course of an annual . . . fair or exhibition." [11]

As another example, certain performances of copyrighted works for teaching purposes are exempt. 17 U.S.C. §§ 110(1) and (2). More specifically, a "governmental body" is authorized to make no more than 30 copies of a transmission program, if no further copies are reproduced from those 30 copies, if the 30 are destroyed within seven years, and if the display is a regular part of "the systematic instructional activities of a governmental body" used for teaching purposes in classrooms. 17 U.S.C. §§ 112(b); 110(2).

With respect to transmissions by public broadcasting entities, a "governmental body" may make reproductions of such transmissions for use in connection with classroom teaching activities, provided the reproductions are destroyed not later

---

[10] Actions against the United States government for copyright infringement can be brought, but only in the United States Claims Court. 28 U.S.C. § 1498(b).

[11] This clause comes from the 1932 copyright revision; *see* Hearings, General Revision of the Copyright Law, 72nd Cong., 1st Sess., on H.R. 10976, Mar. 21, 24, 25 (1932), p. 33: Statement by Milton Danzinger — Chairman, Government Relations Committee, International Association of Fairs and Expositions, Washington, D.C., regarding the exemption for agricultural fairs. "These non-profit institutions (agricultural fairs) are either State, county, or municipally owned or operated by public charter for the advancement of agriculture and the allied arts. These institutions are not operated for profit."

than seven days after the transmission which was the subject of the reproduction. 17 U.S.C. § 118(d)(3).

Even more specifically applicable to states, the Copyright Act provides that unauthorized importation of copyrighted works is actionable, except when imported under the authority or for the use "of any State or political subdivision of a State" for archival use, but not including copies "for use in schools." 17 U.S.C. § 602(a). *See also* 17 U.S.C. § 601(b)(3) which expired in 1986, prohibiting other importation of copyrighted materials by "any state or political subdivision of a State." Surely such detailed exemptions for certain conduct that would otherwise constitute copyright infringement manifests the intention of Congress to hold states accountable under the copyright laws for all other conduct that did not fall within these exemptions.

The specific, limited exemptions set forth in the Copyright Act would be superfluous and nonsensical if the "State or political subdivision of a State" was not otherwise subject to liability. *Patsy v. Board of Regents*, 457 U.S. 496, 512, 102 S. Ct. 2557, 73 L. Ed. 2d 172 (1982). Interpreted together, as required of all statutes, the Copyright Act language is unequivocal and specific in binding states. The Copyright Office expressly agrees with this interpretation. [12]

IV. Congressional And Bankruptcy Aspects Of This Petition.

A. Congressional Amendment.

We realize that, if need be, Congress can take this subject up anew. In view of the pressing nature of the problem created by the decision, Congress should have some clear expression from this Court of what will be required of it to avoid state copyright piracy. The matter is too important for floundering or guesswork on the Hill.

---

[12] *See* Copyright Liability of States and the Eleventh Amendment, a report of the Copyright Office to the Judiciary Committee, House of Representatives, at 102 (1988).

B. Consideration Of The Copyright Act Will Be Useful In Pending Evaluation Of Comparable Provisions Of The Bankruptcy Code.

This Court recently accepted certiorari of *Hoffman v. Connecticut* [No. 88-412], 850 F.2d 50 (2d Cir. 1988). In doing so, this Court will address whether Section 106(c) of the Bankruptcy Code is sufficiently clear and specific to subject states to damage claims under federal bankruptcy law, abrogating their Eleventh Amendment immunity, in light of *Atascadero.* Determination of that issue should take into account the Ninth Circuit's and Fourth Circuit's holdings with respect to the Copyright Act. Otherwise, this Court's holdings in the *Hoffman v. Connecticut* case may have unintended and unconsidered consequences on future holdings addressing that comparable issue. Further, this case, like *United States v. Union Gas Co.,* 832 F.2d 1343 (3d Cir.), *cert. granted sub nom., Pennsylvania v. Union Gas Co.,* 108 S. Ct. 1219 (1988), concerns an article I empowerment to abrogate the later Eleventh Amendment, and should be considered with that case. The great question, not yet conclusively answered here, is the bearing of article I powers of Congress on the Eleventh Amendment. *Hoffman, Union Gas,* and this case by happy fortuity permit this Court to take up at once the article I question from a variety of perspectives; it would be regrettable to deal with this topic piecemeal.

CONCLUSION

It is respectfully submitted that certiorari should be granted in this case.

LEWIS AND ROCA

By_____

January 1989.

John P. Frank
Susan M. Freeman
100 West Washington Street
Phoenix, Arizona 85003
Telephone 602/262-5311

Counsel of Record for the Amici

Of Counsel
Sargoy, Stein & Hanft
Jeffrey Rosen
Harvey Shapiro
105 Madison Avenue
New York, New York 10016-7418
Telephone 212/889-1420

MOTION FILED
FEB 2 1989

No. 88-1099

IN THE
Supreme Court of the United States
OCTOBER TERM, 1988

BV ENGINEERING,
Petitioner,
v.
UNIVERSITY OF CALIFORNIA, LOS ANGELES
(THE REGENTS OF THE UNIVERSITY OF CALIFORNIA),
Respondent.

On Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

MOTION FOR LEAVE TO FILE AND BRIEF *AMICI CURIAE* OF THE ASSOCIATION OF AMERICAN PUBLISHERS, INC. AND THE ASSOCIATION OF AMERICAN UNIVERSITY PRESSES, INC. IN SUPPORT OF PETITION FOR CERTIORARI

JON A. BAUMGARTEN
(Counsel of Record)
CHRISTOPHER A. MEYER
CHARLES S. SIMS
PROSKAUER ROSE GOETZ
& MENDELSOHN
Suite 400
2001 L Street, N.W.
Washington, D.C. 20036
(202) 466-7300
Attorneys for Amici Curiae Association of American Publishers, Inc. and Association of American University Presses, Inc.

February 2, 1989

WILSON - EPES PRINTING CO., INC. - 789-0096 - WASHINGTON, D.C. 20001

22pp

IN THE

Supreme Court of the United States

OCTOBER TERM, 1988

No. 88-1099

BV ENGINEERING,

Petitioner,

v.

UNIVERSITY OF CALIFORNIA, LOS ANGELES
(THE REGENTS OF THE UNIVERSITY OF CALIFORNIA),

Respondent.

**On Writ of Certiorari to the
United States Court of Appeals
for the Ninth Circuit**

MOTION OF THE ASSOCIATION OF AMERICAN PUBLISHERS, INC. AND THE ASSOCIATION OF AMERICAN UNIVERSITY PRESSES, INC. FOR LEAVE TO FILE BRIEF *AMICI CURIAE*

The Association of American Publishers, Inc. ("AAP") and the Association of American University Presses, Inc. ("AAUP") respectfully move for leave to file the attached brief *amici curiae*. The consent of counsel for Petitioner has been obtained, but counsel for Respondent has refused consent.

The AAP is a trade association of book publishers. Its approximately 300 members publish between 70 and 75% of the dollar volume of all books published in the United States. Its members' publications include text, technical

and reference books, works of fiction and general nonfiction, together with a variety of works in other media including computer software and databases.

The AAUP is a not-for-profit association of university presses. Its 80 members include the presses of virtually every distinguished university in the United States, as well as several Canadian and international scholarly publishers.

As publishers and copyright proprietors, *amici* have a direct and compelling interest in this case. All depend on competitors' and customers' respect for the property rights guaranteed by § 106 of the Copyright Act. Most importantly, all market their copyrighted works to states and state entities. Some AAP and AAUP members derive a substantial portion of their income from state entities including universities such as Respondent U.C.L.A., which was held in the opinion below to have Eleventh Amendment immunity from liability for damages for copyright infringement. This decision, if not reviewed and reversed, is likely to have greater impact upon certain of *amici's* members than upon Petitioner, since some of them rely to such a large extent on state entities for their income.

The Court should grant *certiorari* in order to ensure that states and state entities not obtain—demonstrably against congressional intention—a judicial license freely to duplicate, adapt, or publicly perform others' copyrighted works without authorization or any payment of royalties until such time as such infringements may be discovered and an injunction sought and issued.

To present their views as to why this Court should grant *certiorari* in this important copyright case, *amici* move for leave to file the attached brief *amici curiae.*

Respectfully submitted,

JON A. BAUMGARTEN
(Counsel of Record)
CHRISTOPHER A. MEYER
CHARLES S. SIMS
PROSKAUER ROSE GOETZ
& MENDELSOHN
Suite 400
2001 L Street, N.W.
Washington, D.C. 20036
(202) 466-7300
Attorneys for Amici Curiae Association of American Publishers, Inc. and Association of American University Presses, Inc.

February 2, 1989

TABLE OF CONTENTS

	Page
TABLE OF AUTHORITIES	ii
INTEREST OF *AMICI CURIAE*	1
SUMMARY OF ARGUMENT	1
ARGUMENT	2
I. ARTICLE I OF THE CONSTITUTION EMPOWERS CONGRESS TO SUBJECT STATES TO SUITS FOR COPYRIGHT DAMAGES IN FEDERAL COURTS	2
II. IN THE COPYRIGHT ACT CONGRESS EXPRESSED IN UNMISTAKABLE LANGUAGE ITS CLEAR INTENTION TO SUBJECT STATES TO FULL COPYRIGHT LIABILITY	9
CONCLUSION	13

TABLE OF AUTHORITIES

CASES Page

Atascadero State Hosp. v. Scanlon, 473 U.S. 234 (1985) ..... *passim*
BV Engineering v. UCLA, 858 F.2d 1394 (9th Cir. 1988) ..... *passim*
Cardinal Indus. v. Anderson Parrish, No. 83-1038-Civ-T-13 (M.D. Fla. Sept. 6, 1985), *aff'd* 811 F.2d 609 (11th Cir.), *cert. denied*, 108 S.Ct. 88 (1987) 5
County of Monroe v. Florida, 678 F.2d 1124 (2d Cir. 1982), *cert. denied*, 459 U.S. 1104 (1983) 9
County of Oneida v. Oneida Indian Nation, 470 U.S. 226 (1985) 8
Employees v. Missouri Dep't of Public Health and Welfare, 411 U.S. 279 (1973) 2
Goldstein v. California, 412 U.S. 546 (1972) 11
Green v. Mansour, 474 U.S. 64 (1985) 8
Harper & Row Publishers, Inc. v. Nation Enterprises, 471 U.S. 539 (1985) 7
Johnson v. University of Va., 606 F. Supp. 321 (W.D. Va. 1985) 5, 10
Lane v. First Nat'l Bank of Boston, 687 F. Supp. 11 (D. Mass. 1988) 5
In re McVey Trucking, Inc., 812 F.2d 311 (7th Cir. 1987), *cert. denied*, 108 S.Ct. 227 (1987) 8
Mihalek Corp. v. Michigan, 595 F. Supp. 903 (E.D. Mich. 1984), *aff'd on other grounds*, 814 F.2d 290 (6th Cir.), *cert. denied*, 108 S.Ct. 503 (1987) 5
Mills Music, Inc. v. Arizona, 591 F.2d 1278 (9th Cir. 1979) 5, 9
Patsy v. Board of Regents, 457 U.S. 496 (1982) 11
Peel v. Florida Dep't of Transp., 600 F.2d 1070, 1080-81 (5th Cir. 1979) 9
Pennhurst State School and Hosp. v. Halderman, 465 U.S. 89 (1984) 3
Richard Anderson Photography v. Radford Univ., 633 F. Supp. 1154 (W.D. Va. 1986), *aff'd*, 852 F.2d 114 (4th Cir. 1988) ..... *passim*

TABLE OF AUTHORITIES—Continued

Page

United States v. Oregon State Medical Society, 343 U.S. 326 (1952) 4
United States v. Union Gas Co., 832 F.2d 1343 (3d Cir.), *cert. granted sub nom. Pennsylvania v. Union Gas Co.*, 108 S.Ct. 219 (1988) 6, 8
In re Vasquez, Guerrero and Compton, 788 F.2d 130 (3d Cir.), *cert. denied*, 107 S.Ct. 414 (1986) 8
Welch v. State Dep't of Highways, 107 S.Ct. 2941 (1987) ..... *passim*
Wihtol v. Crow, 309 F.2d 777 (8th Cir. 1962) 5
Woelffer v. Happy States of America, Inc., 626 F. Supp. 499 (N.D. Ill. 1985) 5

CONSTITUTIONAL PROVISIONS

U.S. Const.

Art. I ..... *passim*
Art. I, § 8, cl. 3 6
Art. I, § 8, cl. 8 6
Art. IV, § 2, cl. 2 9
Amend. XI ..... *passim*

STATUTES

1 Stat. 109 (1790) 7
1 Stat. 124 (1790) 7
17 U.S.C.:
§§ 101 *et seq.* 4, 10
§ 106 ..... 10, 11
§ 301 ..... 3, 11
§ 501 10
§ 502 10
§ 504 ..... 5, 10
28 U.S.C.:
§ 1338(a) 3, 12
42 U.S.C.:
§ 1983 11

TABLE OF AUTHORITIES—Continued

MISCELLANEOUS	Page
134 Cong. Rec. H10093 (Oct. 12, 1988)	5
Copyright Law Revision, ***Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law,*** House Comm. on the Judiciary, 87th Cong., 1st Sess. (1961)	11, 12
Copyright Law Revision *Study No. 33, Copyright in Government Publications*, 86th Cong., 2d Sess. (1961)	12
M. Nimmer, *Nimmer on Copyright* (1988)	5, 12
Note, The Applicability of Eleventh Amendment Immunity Under the Copyright Acts of 1909 and 1976, 36 Am. U.L. Rev. 163 (1986)	5
Register of Copyrights, *Copyright Liability of States and the Eleventh Amendment* (1988)	3, 6

IN THE

Supreme Court of the United States

OCTOBER TERM, 1988

No. 88-1099

BV ENGINEERING,

Petitioner,

v.

UNIVERSITY OF CALIFORNIA, LOS ANGELES
(THE REGENTS OF THE UNIVERSITY OF CALIFORNIA),

Respondent.

**On Writ of Certiorari to the
United States Court of Appeals
for the Ninth Circuit**

BRIEF *AMICI CURIAE* OF THE ASSOCIATION OF AMERICAN PUBLISHERS, INC. AND THE ASSOCIATION OF AMERICAN UNIVERSITY PRESSES, INC. IN SUPPORT OF PETITION FOR CERTIORARI

INTEREST OF *AMICI CURIAE*

The interest of *amici* is set out in the foregoing motion.

SUMMARY OF ARGUMENT

1. Congress has the power to abrogate states' Eleventh Amendment immunity whenever it enacts legislation under its plenary authority, including the authority found in such diverse provisions of Article I of the Constitution as those covering interstate commerce, copyright, and bankruptcy matters. This Court has never held otherwise. A decision here not to grant *certiorari* and reverse the judgment below would not only deprive Peti-

tioner of a federal forum for seeking relief from state Respondent in the instant controversy, but also leave in substantial doubt Congress' ability to redress the situation by legislation.

2. At the conclusion of a comprehensive process of examination and revision of the copyright law, Congress enacted a statute that by its terms and its structure clearly envisaged states' liability for copyright infringement damages. The judgment below contravenes that clear congressional intent, duly enacted into law.

ARGUMENT

I. ARTICLE I OF THE CONSTITUTION EMPOWERS CONGRESS TO SUBJECT STATES TO SUITS FOR COPYRIGHT DAMAGES IN FEDERAL COURTS

The Ninth Circuit assumed, without deciding, that Congress was empowered to subject states to copyright liability notwithstanding the Eleventh Amendment, and rested its judgment in favor of the Regents on the ground that Congress had not in fact successfully invoked that assumed power. However, the question of congressional power is necessarily implicated in this case, since the Regents argued below that Congress could not subject them to copyright liability absent a constitutional amendment. The judgment below cannot be reversed unless Congress can, in fact, impose liability on state entities for copyright violations. This Court's resolution of this question is therefore urgently needed.

In most Eleventh Amendment cases, "the issue is not the general immunity of the States from private suit . . . but merely the susceptibility of the States to suit before *federal tribunals.*" *Atascadero State Hosp. v. Scanlon*, 473 U.S. 234, 240 n.2 (1985) (emphasis in original) (quoting *Employees v. Missouri Dep't of Public Health and Welfare*, 411 U.S. 279, 293-94 (1973) (Marshall, J., concurring in result)). Whenever this Court has held the

Eleventh Amendment to preclude federal court jurisdiction, some other forum has been available. *See, e.g., Atascadero*, 473 U.S. at 240 n.2 ("It denigrates the judges who serve on the State courts to suggest that they will not enforce the supreme law of the land"); *Pennhurst State School and Hosp. v. Halderman*, 465 U.S. 89, 121-23 (1984) (requiring pendent state law claims to be brought in state court); *Welch v. State Dep't of Highways*, 107 S.Ct. 2941, 2953 n.19 (1987) (worker's compensation claim could be pursued in state court).

For petitioner and all others holding copyrights, however, Congress long ago decided that to maintain the unity and integrity of copyright law—a worthy goal that Congress is surely empowered to pursue—no relief can be sought in state courts.[1] The Copyright Act, by preempting state laws that might otherwise cover copyright infringing activities,[2] precludes *any* possibility that copyright owners might seek relief from state entities on state law grounds in state courts.[3]

For publishers represented by *amici*, as well as others —authors, artists, playwrights, filmmakers, composers, computer programmers, and more—of this country's creative community, therefore, a holding that Congress could not under its Article I powers abrogate Eleventh Amendment immunity would be devastating. AAP and AAUP members, for example, do substantial business with state entities.[4] Indeed, some specialized publishers

---

[1] 28 U.S.C. § 1338(a) (1982).

[2] 17 U.S.C. § 301 (1982).

[3] *Cf. Welch*, 107 S. Ct. 2941, where a state law remedy was potentially available.

[4] AAP estimates that, in 1986, U.S. book publishers sold $1.1 *billion* worth of college and university textbooks to customers with potential Eleventh Amendment immunity who might well not be liable for damages should they choose to copy rather than purchase such materials. *See generally*, Register of Copyrights, *Copyright*

may do the bulk of their business with entities having potential Eleventh Amendment immunity. If the Eleventh Amendment closes the federal courthouse door to them, states would then be free to ignore the carefully crafted balance created by the copyright law, 17 U.S.C. §§ 101 *et seq.*[5] As the Ninth Circuit noted, "our holding will allow states to violate the federal copyright laws with virtual impunity."[6]

The potential availability of actions for damages against state employees in their individual capacities, *Richard Anderson Photography v. Radford University*, 852 F.2d 114, 122 (4th Cir. 1988), does little to restore the congressionally designed balance, and cannot effectively protect Petitioner, *amici*, and other copyright owners. Large-scale infringements may lead to substantial liability,[7] as to which state employees might well be partially or totally judgment-proof.

Liability of States and the Eleventh Amendment 5-17 (1988) (hereafter "1988 Register's Report").

[5] While under Eleventh Amendment doctrine some manner of injunctive relief may be available, Congress could not have considered injunctions alone to be an adequate remedy for copyright infringement. By their nature, injunctions can merely "forestall future violations." *United States v. Oregon State Medical Society*, 343 U.S. 326, 333 (1952). Injunctions, unlike damages, do not provide any degree of recompense to aggrieved copyright owners for infringements that have already occurred, or for markets that have been substantially eroded, if not destroyed. Nor are they available without a likelihood of repeated harm by the infringing party. A limitation to injunctive relief would eliminate any real possibility of favorable settlement for copyright owners and would permit the continuation of infringing activity by great numbers of entities, until in each separate case a particular infringement happened to be detected and an injunction obtained.

[6] *BV Engineering v. U.C.L.A.*, 858 F.2d 1394, 1400 (9th Cir. 1988).

[7] Congress, recognizing the necessity of providing substantial damages in order to deter infringements and compensate their victims, has recently doubled the monetary limits in the section of the

Until relatively recently, very few copyright cases had involved Eleventh Amendment issues. The only two cases concerning the Copyright Act of 1909 were split on the Eleventh Amendment question. In *Wihtol v. Crow*, 309 F.2d 777 (8th Cir. 1962), the court, after observing that the defendant school district was "an instrumentality of the State . . .," [8] held it immune from liability for a teacher's infringing duplication of a musical work, while in *Mills Music, Inc. v. Arizona*, 591 F.2d 1278 (9th Cir. 1979), the court held a state liable for the unauthorized public performance of music. *Mills Music* has been characterized as "the better view" by a court and a leading scholar,[9] and, in a law review note, as "a closer reading of the statutory intent." [10] In the last several years, however, additional courts have felt themselves constrained to accord Eleventh Amendment immunity in copyright cases,[11] notwithstanding the evident conflict between that result and the clear congressional intention to subject

---

copyright law providing for statutory damages for infringement, 17 U.S.C. § 504(c). See 134 Cong. Rec. H10093 (October 12, 1988).

[8] 309 F.2d 782.

[9] *Richard Anderson Photography v. Radford University*, 633 F. Supp. 1154, 1160 n.14 (W.D. Va.), *aff'd*, 852 F.2d 114 (4th Cir. 1988), *cert. pending* No. 88-651; 3 M. Nimmer, *Nimmer on Copyright*, § 12.01[E] (1988).

[10] Note, The Applicability of Eleventh Amendment Immunity Under the Copyright Acts of 1909 and 1976, 36 Am. U.L. Rev. 163, 183 (1986).

[11] *BV Engineering v. UCLA*, 858 F.2d 1394 (9th Cir. 1988); *Richard Anderson Photography v. Radford University*, 852 F.2d 114 (4th Cir. 1988), *cert. pending* No. 88-651; *Cardinal Indus. v. Anderson Parrish*, No. 83-1038-Civ-T-13 (M.D. Fla. Sept. 6, 1985), *aff'd*, 811 F.2d 609 (11th Cir.), *cert. denied*, 108 S.Ct. 88 (1987); *Lane v. First Nat'l Bank of Boston*, 687 F. Supp. 11 (D. Mass. 1988); *Woelffer v. Happy States of America, Inc.*, 626 F. Supp. 499 (N.D. Ill. 1985); and *Mihalek Corp. v. Michigan*, 595 F. Supp. 903 (E.D. Mich. 1984), *aff'd on other grounds*, 814 F.2d 290 (6th Cir.), *cert. denied* 108 S.Ct. 503 (1987). *Contra, Johnson v. University of Va.*, 606 F. Supp. 321 (W.D. Va. 1985).

"anyone" infringing copyrights to federal suit.[12] The Copyright Office of the Library of Congress has recently published a report concerning Eleventh Amendment-copyright issues in which it identified numerous states' assertions of immunity from liability.[13]

The Ninth Circuit noted that this Court may decide the congressional power question in *Pennsylvania v. Union Gas Co.*[14] Even if this Court should there hold that the Commerce Clause[15] does not grant Congress the power to abrogate Eleventh Amendment immunity, there remains the question whether the Patent and Copyright Clause,[16] under which uniform federal property rights

---

[12] That conflict was acknowledged by the Ninth Circuit here:

> "Although we find [BV's] arguments compelling, we are constrained by the Supreme Court's mandate that we find an abrogation of Eleventh Amendment immunity only when Congress has included in the statute unequivocal and specific language indicating an intent to subject states to suit in Federal Court. Such language is absent from the Copyright Act of 1976. *We recognize that our holding will allow states to violate the federal copyright laws with virtual impunity.*" *BV Engineering*, 858 F.2d 1394, 1400.
> (Emphasis added.)

[13] In its recent congressionally requested inquiry, the Copyright Office noted that, in addition to the six states asserting Eleventh Amendment copyright immunity in the cases cited in n.11, *supra* (Virginia, California, Florida, Massachusetts, Michigan and Illinois), North Carolina, Wisconsin, Minnesota, and Texas have asserted their immunity in other contexts. 1988 Register's Report at 8, 9, app. C at CRS-21.

[14] *United States v. Union Gas Co.*, 832 F.2d 1343 (3d Cir.), *cert. granted sub nom. Pennsylvania v. Union Gas Co.*, 108 S.Ct. 219 (1988). AAP and AAUP have filed a brief *amici curiae* in that case, in support of Respondent Union Gas' argument that Article I grants Congress the power to abrogate Eleventh Amendment immunity.

[15] U.S. Const., Art. I, § 8, cl. 3.

[16] U.S. Const., Art. I, § 8, cl. 8.

were created in 1790,[17] does so. *Amici* submit that it must, if Congress' constitutional power "to promote the progress of science and the useful arts" by granting *exclusive* rights is to be properly respected.

The tension that this Court must resolve is not between the Eleventh Amendment and the Patent and Copyright Clause alone. As the Court observed in *Harper & Row Publishers, Inc. v. Nation Enterprises*,[18]

> it should not be forgotten that the Framers intended copyright itself to be the engine of free expression. By establishing a marketable right to the use of one's expression, copyright supplies the economic incentive to create and disseminate ideas.

If states and their entities are permitted—as they will be if the decision of the court of appeals is not reversed —to steal from the First Amendment market those things for which others must pay,[19] then economic incentives to create and distribute all manner of copyrighted works will be reduced, and the marketplace of ideas impoverished.

Protection for *amici's* copyrights and their substantial investment in those copyrights depends on their ability to secure either the protection that Congress undoubtedly intended to provide in 1976, or additional legislation to the same effect containing the magic words this Court has subsequently held may be necessary to achieve the intended result. If Congress presently lacks the power

---

[17] *See* 1 Stat. 109 (1790) (First patent law); 1 Stat. 124 (1790) (First copyright law).

[18] 471 U.S. 539, 558 (1985).

[19] Under the court of appeals' decision, *e.g.*, Stanford University and the University of Southern California—private institutions—would have to pay copyright royalties or receive copyright owners' authorization to perform the activities that the University of California may—"with impunity"—do in "violat[ion] of the federal copyright laws . . . ." *BV Engineering*, 858 F.2d at 1400.

to subject states to copyright infringement actions in federal court, Congress would have to decide whether to jettison its long-standing policy against concurrent jurisdiction over copyright actions in state courts, or to seek adoption of a constitutional amendment permitting federal court suits against states for copyright infringement. Whatever approach is necessary, time is of the essence. Demonstrably, this case would be an appropriate vehicle to clear away roadblocks to achieving, through any of these routes, the protection Congress both intended and clearly will provide, if necessary.

On the merits of this question, *amici* submit that Congress clearly has the power, under Article 1 of the Constitution, to abrogate Eleventh Amendment immunity. This court has suggested that such power exists, and, as set out below, several courts of appeals have expressly reached this conclusion. See, e.g., *Green v. Mansour*, 474 U.S. 64, 68 (1985) ("Because of the Eleventh Amendment, States may not be sued in federal court unless they consent to it in unequivocal terms or unless Congress, *pursuant to a valid exercise of power*, unequivocally expresses its intent to abrogate the immunity") (emphasis added); *Welch*, 107 S. Ct. at 2946 (power assumed); *County of Oneida v. Oneida Indian Nation*, 470 U.S. 226, 252-53 (1985) (same); *United States v. Union Gas Co.*, 832 F.2d 1343, 1356 (3d Cir. 1987), *cert. granted sub. nom. Pennsylvania v. Union Gas Co.*, 108 S.Ct. 219 (1988) (constitutional amendments not to be read as if on a time line; "a constitutional grant of plenary authority to Congress" sufficient to abrogate Eleventh Amendment immunity); *In re McVey Trucking, Inc.*, 812 F.2d 311, 314-23 (7th Cir.), *cert. denied*, 108 S.Ct. 227 (1987) (discussing *Atascadero* and its predecessors, and concluding, after extensive analysis, that the various congressional plenary powers cannot be distinguished); *In re Vasquez, Guerrero and Compton*, 788 F.2d 130, (3d Cir.), *cert. denied*, 107 S.Ct. 414 (1986) (abroga-

tion of Eleventh Amendment immunity under Bankruptcy Clause); *Mills Music, Inc. v. Arizona*, 591 F.2d 1278, 1285 (9th Cir. 1979), *"overruled sub silentio"* [by *Atascadero* and *Welch*], *BV Engineering v. UCLA*, 858 F.2d 1394, 1398 n.1 (9th Cir. 1988) ("[T]he Copyright and Patent Clause is a specific grant of constitutional power that contains inherent limitations on state sovereignty . . . [A]brogation of a state's Eleventh Amendment immunity is inherent in the Copyright and Patent Clause and the Copyright Act"); *Peel v. Florida Dep't of Transp.*, 600 F.2d 1070, 1080-81 (5th Cir. 1979) (Congress may abrogate state immunity in an act passed pursuant to the war powers in Art. I. § 8). See also *County of Monroe v. Florida*, 678 F.2d 1124, 1132 n.8, 1133 (2d Cir. 1982), *cert. denied*, 459 U.S. 1104 (1983) (Congress may, pursuant to Art. IV, § 2, cl. 2, abrogate state immunity from suit on extradition-related claims).

II. IN THE COPYRIGHT ACT CONGRESS EXPRESSED IN UNMISTAKABLE LANGUAGE ITS CLEAR INTENTION TO SUBJECT STATES TO COPYRIGHT LIABILITY

If, as we have argued, Congress has the power to subject Respondent U.C.L.A. to liability for copyright infringement in federal court, then the question remains whether Congress has exercised that power. Under traditional standards, and even under the more demanding standards that this Court has recently announced,[20] the answer to the question here, as recognized by the dissent in *Richard Anderson Photography*,[21] is plainly "yes." Be-

---

[20] Where, as here, there is no real alternative remedy or forum, the Court should not be reluctant to find congressional intent to abrogate, and the stringent requirements of *Atascadero State Hospital v. Scanlon, supra*, and *Welch v. State Dept. of Highways, supra*, should not apply. But this Court need not reach that conclusion since, as will be shown, those stringent requirements are met here.

[21] 852 F.2d at 126-129.

cause Congress clearly expressed its intent to require states to respect rights granted in the Copyright Act—rights that can be enforced *only* in federal court—the conclusion is inescapable that Congress successfully abrogated state immunity.

The Copyright Act, 17 U.S.C. §§ 101 *et seq.*, encourages the production of artistic or literary works by granting authors and publishers valuable and enforceable rights, such as the exclusive rights to reproduce and distribute copyrighted works. § 106. As part of the broad scheme of copyright protection embodied in the Act, § 501(a) provides that "Anyone who violates any of the exclusive rights of the copyright owner . . . is an infringer of the copyright" (emphasis added). All infringers of copyright,[22] with only limited exceptions in narrow circumstances, are subject to actions for damages and injunctions (§§ 502, 504).

Unlike statutes considered in cases where the issue has been not whether Congress intended to create a remedy at all but only in what courts the remedy could be obtained, the Copyright Act contains both inclusive language in § 501(a) and several other provisions that specifically show Congress' intent to bring the states within its reach, and to render them liable as infringers in the same manner as all other defendants, except where specific exemptions were carefully carved out. *See generally*

---

[22] Courts have recognized that "the Copyright Act's general authorization for suit against 'anyone' is sufficiently broad to include the States." *Richard Anderson Photography v. Radford University*, 633 F. Supp. at 1159. See also *Johnson v. University of Virginia*, 606 F. Supp. 321, 324 (D. Va. 1985) (reasoning that "the language of the 1976 Act is at least as sweeping, and probably more sweeping, than the language of the 1909 Act in identifying the class of defendants subject to copyright infringement suits" and concluding that "the 1976 Act waived the states' Eleventh Amendment immunity from liability for damages and equitable relief for copyright infringements").

Richard Anderson Photography, 852 F.2d at 126-129 (dissent).[23]

There should be no doubt that the phrase "governmental bodies" used repeatedly in the statute, both as used colloquially and, more importantly here, as used throughout the copyright revision program that culminated in the Copyright Act of 1976, includes state entities. *See* House Comm. on the Judiciary, Copyright Law Revision, "Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law," 87th Cong., 1st Sess. at 129 (1961) (hereinafter "1961 Register's Report"), expressly noting that the law contained "nothing to prevent *governmental bodies*, at least of the States, from securing copyright. . . ." (emphasis added).

Beyond these statutory provisions, Congress' intent to allow states to be sued in federal court for violating the Copyright Act is shown by the express statutory scheme of the Act itself. First, in § 106, Congress granted to copyright owners *exclusive* rights, subject only to carefully crafted exemptions.[24] Second, in § 301, Congress

---

[23] The Court used similar reasoning in holding, in *Patsy v. Board of Regents*, 457 U.S. 496 (1982), that exhaustion of state administrative remedies is not a prerequisite to an action in federal court under 42 U.S.C. § 1983. The Court examined a statute enacted after § 1983 that created a "specific, limited exhaustion requirement for adult prisoners bringing actions pursuant to § 1983," *id.* at 508, and concluded that the exhaustion provisions of the more recent statute "make sense, and are not superfluous," only if Congress intended that § 1983 contain no general requirement of administrative exhaustion. *Id.* at 512. Similarly, the exemptions in the Copyright Act for state activity "make sense, and are not superfluous," only if Congress intended to abrogate state immunity and subject states to suit for copyright infringement.

[24] See *Goldstein v. California*, 412 U.S. 546, 560 (1973) (discussing, in a case considering a state's anti-piracy statute, the inherently broad reach of federal copyright protection): "When Congress grants an exclusive right or monopoly, its effects are pervasive; *no citizen or State may escape its reach.*" (emphasis added).

expressly preempted all state copyright laws—and even state laws equivalent to copyright. Third, 28 U.S.C. § 1338(a) grants to the federal courts exclusive jurisdiction of all actions arising under the federal copyright laws.

Finally, the Copyright Act permits the states themselves to obtain copyright protection. Congress, when it enacted the law, was well aware that states and state entities regularly obtained federal copyright protection for their works.[25] There is no basis in the legislative history for assuming that Congress intended to permit the states regularly to take advantage of the full benefits of the Copyright Act and at the same time be free of its obligations.

Since all copyright claims must be brought in federal court, applying the federal copyright laws, a decision denying a federal forum to claimants who allege copyright violations by states is essentially a conclusion that Congress intended to leave these claimants without a meaningful remedy, and to permit states to disregard the rights of copyright owners with impunity.

In this critcial aspect the Copyright Act is altogether different from the statutes the Supreme Court has determined did not abrogate state immunity. In *Welch v. State Dep't of Highways*, *supra*, 107 S.Ct. at 2953 n.19,

---

[25] *See* 1961 Register's Report, *supra*, at 129 ("Almost every State in the Union has registered copyright claims in some of its informational publications"). See also Senate Comm. on the Judiciary, *Copyright Law Revision Study No. 33*, "Copyright in Government Publications," 86th Cong., 2d Sess. at 129 (Comm. Print 1961) ("Most of the States have enacted statutes for the securing of copyright in certain of their publications or in their publications generally. And even in the absence of any statute, almost every State has claimed copyright in some of its publications. A survey by the Copyright Office shows that during the 5-year period 1950 through 1954 about 4,700 copyright claims were registered in the name of a State or a State agency or in the name of an official on behalf of a State.") See generally 1 M. Nimmer, *Nimmer on Copyright* § 5.06[A] n.1 (1988).

for example, the Court recognized that the plaintiff there was "not without a remedy: she may file a worker's compensation claim against the State under [state law]." Similarly, in *Atascadero State Hospital v. Scanlon, supra*, 473 U.S. at 238 n.2, the Court explained that immunity from federal suit under the statute involved there would not exempt the states from compliance with the law, because they would still be subject to suit in state court. The Court emphasized, "It denigrates the judges who serve on the state courts to suggest that they will not enforce the supreme law of the land." *Id.*

There is not a shred of evidence to suggest that Congress intended to leave states free to violate federal law by infringing the rights of copyright owners. To the contrary, the entire statutory scheme unmistakably expresses Congress' intent to abrogate state immunity. To uphold the court of appeals' decision would frustrate that express Congressional intent.

CONCLUSION

For the foregoing reasons, the petition for *certiorari* should be granted.

Respectfully submitted,

JON A. BAUMGARTEN
(Counsel of Record)
CHRISTOPHER A. MEYER
CHARLES S. SIMS
PROSKAUER ROSE GOETZ
& MENDELSOHN
Suite 400
2001 L Street, N.W.
Washington, D.C. 20036
(202) 466-7300
Attorneys for Amici Curiae Association of American Publishers, Inc. and Association of American University Presses, Inc.

February 2, 1989

MOTION FILED
FEB -6 1989

No. 88-1099

IN THE SUPREME COURT
of the
UNITED STATES

October Term, 1988

BV Engineering,
Petitioner,
vs.
University of California, Los Angeles
(The Regents of the
University of California)
Respondent.

MOTION AND BRIEF OF AMICUS CURIAE CENTER FOR PROTECTION OF CREATIVE RIGHTS IN SUPPORT OF PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

Robert J. Feldhake
(Counsel of Record)
1912 N. Broadway
Santa Ana, CA 92706
(714) 973-7770
Attorney for Amicus
Curiae Center for the
Protection of Creative
Rights

Robert S. Parish, Jr.
Law Offices of Terry M. Giles
Of Counsel

INTERESTS OF AMICUS CURIAE

The Center for the Protection of Creative Rights is an organization recently formed for the purpose of providing information on the scope and intended protections of creative works under the copyright laws and to address the rights and interests of copyright holders, particularly in the areas of computer software, publishing, and film production. Activities of the Center will include conferences, studies of pertinent issues in copyright law, and assistance to the courts through the filing of briefs as an amicus curiae on questions of first impression or of national importance.

Due to the importance of the decision of the United States Court of Appeals for the Ninth Circuit in affirming the District Court Order granting summary judgment and barring the action of Petitioner, BV Engineering, for damages arising from the University of California, Los Angeles' infringement of Petitioner's copyright, the Center seeks leave to appear as an amicus curiae in support of the Petition for a Writ of Certiorari and to file a further brief addressing the merits if the Petition is granted.

TABLE OF CONTENTS

	Page
Interest of Amicus Curiae.....	i
Table of Contents	ii
Table of Authorities	iii
Motion For Leave to Appear As Amicus Curiae	2
Summary of Argument	5
Argument in Support of Review	6
Conclusion	14
Proof of Service	15

TABLE OF AUTHORITIES

Cases

Page

Atacasero State Hospital v. Scanlon,
73 U.S. 234 (1985) 7, 8, 10 11

BV Engineering v. University of California, Los Angeles,
858 F.2d 1394 (9th Cir. 1988) aff'g 657 F.Supp. 1246 (C.D. Cal. 1987)..... 1, 6,

DeSylva v. Ballantine,
351 U.S. 570 (1956)..... 9

Hutto v. Finney,
437 U.S. 678 (1978) 13

Johnson v. University of Virginia,
606 F.Supp. 321 (W.D. Va. 1985 ... 8

Mills Music, Inc. v. Arizona,
591 F.2d 1278 (9th Cir. 1979)... 8

United States v. Oregon State Med. Society,
343 U.S. 326 (1952) 11

Welch v. Texas Dep't of Highways and Public Transp.,
107 S.Ct. 2931 (1987)..... 7, 8, 10

Statutes

	Page
17 U.S.C. § 110(2)	10
17 U.S.C. § 110(6)	10
17 U.S.C. § 110(8)	10
17 U.S.C. § 111(a)(4)	10
17 U.S.C. § 112(b)	10
17 U.S.C. § 112(c)	10
17 U.S.C. § 112(d)	10
17 U.S.C. § 118(d)(3)	10
17 U.S.C. § 501(a)	10
17 U.S.C. § 601(a)	10
17 U.S.C. § 602(A)(1)	10
17 U.S.C. § 301(a)	9, 13
28 U.S.C. § 1338(a)	9, 13

Constitution

	Page
U.S. Const., Amend. XI	passim
U.S. Const., Art. I, §8, cl.8 Copyright and Patent Clause)	5, 7, 8

Miscellaneous

	Page
52 Fed. Reg. 42,045 (November 2, 1987)	9
3 M. Nimmer & D. Nimmer, Nimmer on Copyright, § 12.01[E] (1986)	8
Note, The Applicability of the Eleventh Amendment Immunity Under The Copyright Acts of 1909 and 1976, 36 Am. U.L. Rev. 163 (1986)	8

Page

Register of Copyrights, Copyright Liability of States and the] Eleventh Amendment (1988) 9

No. 88-1099

IN THE SUPREME COURT
of the
UNITED STATES

October Term, 1988

BV Engineering,
Petitioner,
vs.
University of California, Los Angeles
(The Regents of the
University of California)
Respondent.

MOTION AND BRIEF OF AMICUS CURIAE CENTER FOR PROTECTION OF CREATIVE RIGHTS IN SUPPORT OF PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

The Center for the Protection of Creative Rights respectfully requests leave to appear as an amicus curiae in support of the Petition for a Writ of Certiorari filed on behalf of BV Engineering for review of the judgment of the United States Court of Appeals for the Ninth Circuit entered on October 3, 1988, in a matter titled BV Engineering v. University of California, Los Angeles, 858 F.2d 1394 (9th Cir. 1988).

MOTION FOR LEAVE TO APPEAR AS AN AMICUS CURIAE

The Center for the Protection of Creative Rights was formed to address significant issues of copyright law and protection, particularly as they serve (and were intended to insulate and advance) the emergence of new ideas and technologies in the computer, publishing, film, and comparable industries. The Media Institute, based in Washington, D.C., and The Freedom of Expression Foundation, centered at California State University, Long Beach, are the two co-sponsors of this organization.

Specifically, The Media Institute is recognized as one of this country's pre-imminent non-profit "think tanks" on issues affecting the communications industry. The Institute receives support from a wide variety of corporations and other foundations, pursuing a wide range of activities in the area of communications policy. The Freedom of Expression Foundation has, for several years, been equally well recognized as a preeminent independent foundation in the evaluation, advancement, and discussion of First Amendment issues. The Foundation is guided by advisory boards on research and policy issues comprised of leaders in the communications industry and looks to the First Amendment as a major consideration in evaluating the nature legislative or judicial limitations on expression.

While both organizations draw support from private industry, the co-sponsors of the Center, and the Center in its own right, are dedicated to the advancement of issues designed to serve the nation as a whole. The Center seeks to provide information and to address controverted interpretations of the vital protections afforded by the copyright laws, even where the positions advanced are not entirely supported by certain financial supporters.

Independently, the Center for the Protection of Creative Rights, although jointly sponsored by The Media Institute and The Freedom of Expression Foundation, will have its own Advisory Council drawn from the publishing, computer, and entertainment industries. The Center seeks to offer comment, guidance, and discussions of the serious policy implications of changes (or the lack of change) in the copyright laws. However, the Center has no interest in a "winner" or a "loser" on a particular issue, but seeks to inform and address the original basis and continued need for the protection of original creative works consistent with the copyright laws and the first amendment of the United States Constitution.

In the matter of BV Engineering v. University of California, Los Angeles, the Center seeks leave of Court to appear as an amicus curiae for the purpose of initially supporting the Petition for a

Writ of Certiorari and, if the Petition is granted, addressing the legal merits and policy implications of the judgment of the United States Court of Appeals for the Ninth Circuit. The Center has requested the consent of BV Engineering, the Petitioner, and the University of California, Los Angeles, the Respondent, for participation as an amicus curiae. Counsel for BV Engineering has consented to the Center appearing as an amicus curiae. However, counsel for the University of California, Los Angeles, has declined to consent, necessitating the formal presentation of a motion to this Court pursuant to Rule 36.1.

The Center respectfully requests leave to participate as an amicus curiae at the Petition stage and later if this case is accepted for oral argument. In seeking leave to participate as an amicus curiae, the Center intends to draw upon the resources of its independent Advisory Council and co-sponsoring organizations to provide guidance on the copyright law implications of the decision of the Ninth Circuit. Moreover, the Center has connections with academic instructions and will be able to provide a unique perspective on the serious implications of the Ninth Circuit's decision that copyright law protections do not extend to the state and university environment.

The Center is able to offer an objective discussion of the copyright law and constitutional protections at issue, both generally and as they specifically pertain to the cooperative relationship

between private industry or creative individuals and the academic world. The very organizational purpose of the Center is consistent with participation as an amicus curiae in a case having obvious nationwide effect on the protection of creative works from infringement and unauthorized redistribution.

As the case is presently before the Court on a Petition for a Writ of Certiorari, the Center has submitted a brief statement of argument in support of the merits of review in order to avoid duplication. However, the Center has issues to address separate and distinct from the legal questions framed in the Petition, including the serious societal implications of the holding of the Ninth Circuit on continued cooperation between private industry and academia in the sharing of information and works. While the Center has the resources and expertise to inform on the legal issues framed in the Petition, it is also the intent of the amicus curiae to discuss the policy implications of the decision.

SUMMARY OF ARGUMENT OF AMICUS CURIAE IN SUPPORT OF PETITION

The United States Constitution specifically recognizes the power of Congress to secure to authors and inventors exclusive rights to their creative works. U.S.Const. Art. I § 8, cl. 8. Subsequent legislation and case precedent have confirmed the importance that original creative work receive the intended protection from unauthorized

use, thereby maximizing the incentive to create and to later share the new without fear of infringement.

The decision of the United States Court of Appeals for the Ninth Circuit in BV Engineering v. University of California, Los Angeles, holding that states and related institutions are insulated by the eleventh amendment from honoring the protections of copyright law, runs afoul of very interests sought to be protected by the Constitution, subsequent laws, and interpretive court decisions. The declared ability of state institutions, specifically colleges and universities, to reproduce books, articles, computer files, educational films, or any manner of data without regard to the rights and interests of their creators not only violates the underlying intent of the copyright laws, but threatens to sever the relationship between private industry or creative individuals and academic institutions in the sharing of information and the maximization of learning opportunities for students and faculty alike.

ARGUMENT OF AMICUS CURIAE IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI

In advancing a request for participation in this case as an amicus curiae, the Center does not wish to duplicate the legal and policy arguments advanced by BV Engineering in its Petition. The Center concurs with the positions offered as to the importance of copyright protections and applicability to the states and related institutions

despite the eleventh amendment. The Center, in support of the Petition for a Writ of Certiorari, wishes to emphasize several controlling points demonstrating the imperative need for further review by this Court.

The fact of copyright infringement, specifically the unauthorized initial use and later duplication of BV Engineering's original works by the University of California, is not really in dispute. Instead, the Ninth Circuit determined that the protections afforded by the express language of the Copyright Act of 1976 did not extend to the states and related institutions due to the absence of "unequivocal and specific language" indicating a Congressional intent to abrogate a general eleventh amendment immunity, relying on Atascadero State Hospital v. Scanlon, 473 U.S. 234 (1985) and Welch v. Texas Department of Highways and Transportation, 107 S.Ct. 2941 (1987). (858 F.2d at 1397.)

This determination is clearly at odds with the framework of legislatively created protections of copyrighted works. Initially, the decision reflects an unwarranted requirement for the presence of a few more words in the Copyright Act in order to make abrogation even clear, elevating form over the substance of the Act. At the same time, there is no question as to the authority of Congress to abrogate the immunity through legislation under the Copyright and Patent Clause of Article 1 of the Constitution. Congress can abrogate any eleventh amendment immunity, which the record reflects was accomplished by the Copyright Act.

The Ninth Circuit's decision is inconsistent with an earlier ruling in Mills Music, Inc. v. Arizona, 591 F.2d 1278 (9th Cir. 1979), which expressly concluded that the abrogation of any purported eleventh amendment immunity of the states is necessarily a part of the Copyright and Patent Clause of the Constitution and the provisions of the Copyright Act of 1976. 591 F.2d at 1286. As recognized in Mills Music, the express Congressional intention that exclusive rights in original and creative works be protected would be rendered illusory if the user-intensive states and related institutions were free to copy and redistribute the works. Id. Despite the statutory construction precedents of Atascadero and Welch, the underlying analysis in Mills Music continues to find support in subsequent judicial decisions, [see, e.g., Johnson v. University of Virginia, 606 F.Supp. 321, 323-24 (W.D. Va. 1985)] and from recognized scholars in the area of copyright law. [See, e.g., 3 M. Mimmer and D. Nimmer Nimmer on Copyright § 12.01[E], at 12-21 (1986); Note, The Applicability of the Eleventh Amendment Immunity Under the Copyright Acts of 1909 and 1976, 36 Am. U.L. Rev. 163, 183 (1986).

In addition, the legitimacy of the construction of the federal copyright laws as abrogating any residual eleventh amendment immunity is supported by the states' practical construction of these statutes. Several Attorneys General have been reported as advising state agencies of their being subject to liability under the federal copyright statutes. [See Petition, pg. 10 n.5.] The Register of

Copyrights has also noted the states' implicit recognition of the enforceable rights of copyright holders through the states' payment of royalties for use of copyrighted works. 52 Fed. Reg. 42,045 (November 2, 1987). While not controlling, the practical construction which the states have placed on the scope and applicability of the copyright laws must be persuasive, and at a minimum establishes a legitimate basis for review and clarification in this area. No less persuasive, and no less compelling, is the finding of the Copyright Office that "Congress intended to hold states responsible under the Federal Copyright Law." See Register of Copyrights, Copyright Liability of States and the Eleventh Amendment (June, 1988). This Court customarily defers to the views of the Copyright Office in regard to the interpretation of the Copyright Act. DeSylvia v. Ballantine, 351 U.S. 570, 577-78 (1956).

Congress has specifically provided that federal courts have exclusive jurisdiction over controversies involving allegations of infringement of protected works. 28 U.S.C. §1338(a). To reinforce the exclusivity and intended availability of a federal forum, state laws which were the functional equivalent of the protection of exclusive rights in copyrighted works are preempted by the Copyright Act. 17 U.S.C. § 301(a). This legislative formulation renders a finding of eleventh amendment immunity based on a stringent test for Congressional abrogation antithetical to the intended protection against infringements by

anyone, necessarily including states and all institutions claiming protection under the mantel of state authority, distinguishing this case from the factual circumstances present in Atascadero, 473 U.S. at 240 n.2, and Welch, 107 S.Ct. at 2953 n.19.

The strict scrutiny test for legislative abrogation of the eleventh amendment immunity addressed in Atascadero and Welch, even if properly applied in light of the exclusive federal jurisdiction envisioned as part of the legislatively created protections, is still satisfied in the area of copyright law. Initially, Section 501 of the Copyright Act of 1976 is most instructive in light of its lack of specificity, as a cause of action for infringement exists against "[a]nyone who violates the exclusive rights of the copyright owner." 17 U.S.C. §501(a). The existence of a federal cause of action looks not to the identity of the infringer, but rather to the fact of the infringement. It is the latter which Congress deemed sufficient to create a federal right of action.

Secondly, to the extent one wishes to engage in the construction of the copyright statutes as a whole, the fact that the Copyright Act of 1976 offers prohibitions which are cast as not being applicable to the states when they undertake specified (and authorized) activities must mean that the same entities are otherwise within the scope of the original prohibitions. See, e.g., 17 U.S.C. §§110(2), (6) and (8), 111(a), (4), 112(b), (c) and (d), 118(d)(3), 601(b)(3), and 602(a)(1). The

legislative history and formulation of federal copyright protections inherently includes the states and their related agencies as falling within the unlimited category of third parties who may misappropriate protected works and face liability for copyright infringement.

As recited at length in the Petition, subsequent judicial interpretation of Atascadero has resulted in a number of lower courts dismissing copyright damages actions against states and related institutions on the basis of an eleventh amendment immunity. [Petition, pg. 6, n.2.] The societal consequence of the Ninth Circuit's decision can best be appreciated by recognizing the importance ascribed to the advancement of creativity and innovation through the protections afforded by the copyright statutes, and the inadequacy of alternative remedies to assure that the protections are realized.

The first aspect is not reasonably capable of dispute, as the promotional orientation of the protections afforded are implicit in the broad Constitutional grant of legislative authority in this area. Seemingly no more amenable to dispute is the failure of injunctive relief to afford an effective remedy for abuse, as injunctions merely forestall future violations, United States v. Oregon State Medical Society, 343 U.S. 326, 333 (1952), and were in fact expressly recognized by the Ninth Circuit in this case as being sufficiently imperfect as to permit "states to violate the Federal copyright laws with virtual impunity." (858 F.2d at 1400.)

However, the issue before this Court is not limited to statutory interpretation as there are very real adverse consequences which flow from the states' claimed immunity from the protection of the federal copyright laws. Initially, the unwarranted adverse impact on owners of copyrights cannot even be questioned. Individuals and companies which commit time and resources to the formulation of original creative works are deserving of protection. The appropriation of their work without permission and compensation, and particularly where the appropriation is followed by unauthorized duplication and distribution to others, carries serious financial consequences to the originators and constitutes a deterrent to continued creativity.

The impact on states and related agencies also cannot be ignored. If the originators of creative works cannot be assured of protection from unauthorized copying and redistribution, the maintenance of a market for the original work will result in the products being unavailable to public institutions. Moreover, the propensity of private think tanks and creative organizations to associate with academic institutions and share a common source of people and ideas will be subject to retrenchment if private industry cannot be assured of proprietary rights over works which they fund, develop. If the decision in BV Engineering stands, every individual or organization who associates with a state institution will be required to reevaluate continued association, and whether the benefits which flow to the

private and public parties is worth the risk that exclusive rights in any resulting works will be sacrificed.

In comparison, the interests sought to be advanced by the eleventh amendment are not jeopardized by holding states liable for copyright infringement. The balance of power between state and federal courts is unaffected as exclusive jurisdiction over copyright actions is already vested in the federal courts. 28 U.S.C. §1338(a). There can be no threat of federal encroachment of authority over copyright protections, as comparable laws are statutorily preempted. 17 U.S.C. §301(a). Moreover, there will be no new or enormous financial burdens imposed on the states or their agencies, Hutto v. Finney, 437 U.S. 678, 807 (1978), as the states are not required to use protected works and should therefore be subject to damages when they voluntarily engage in actions constituting an infringement.

When one considers the adverse consequences flowing from a finding that the eleventh amendment immunizes the states and their agencies from liability for copyright infringement, it is readily apparent that the interests of both the copyright owners and the states institutions are served by this Court accepting review of the Ninth Circuit's decision in this matter.

CONCLUSION

For the foregoing reasons, the Center for the Protection of Creative Rights should be granted leave to appear as an amicus curiae, to submit a brief in support of the Petition for a Writ of Certiorari, and to thereafter submit a further brief in advance of oral argument.

Respectfully submitted,

Robert J. Feldhake
(Counsel of Record)
1912 N. Broadway
Santa Ana, CA 92706
(714) 973-7770

Attorney for Amicus Curiae Center for the Protection of Creative Rights

Robert S. Parish, Jr.
Law Offices of Terry M. Giles
Of Counsel

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF ORANGE

I am employed in the County of Orange, State of California. I am over the age of (18) and not a party to the within action. My business address is 1912 North Broadway, Santa Ana, California 92706.

On February 4, 1989, I served the foregoing documents, described as **MOTION AND BRIEF OF AMICUS CURIAE, CENTER FOR THE PROTECTION OF CREATIVE RIGHTS, IN SUPPORT OF PETITION FOR A WRIT OF CERTIORARI TO THE NINTH CIRCUIT COURT OF APPEALS** and **APPEARANCE FORM** on the following parties in this action by placing a true copy thereof enclosed in a sealed envelope addressed as follows:

Michael A. Ladra, Esq.
Wilson, Sonsino, Goodrich & Rosati
Two Palo Alto Square, Suite 900
Palo Alto, CA 94306
(Attorney for Petitioner)

Allen B. Wagner, Esq.
Office of General Counsel
University of California
590 University Hall
Berkeley, CA 94720
(Attorney for Respondents)

I caused such envelope with postage thereon fully prepaid to be placed in the United States mail at Santa Ana, California.

Executed on February 4, 1989, at Santa Ana, California. I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

ROBERT J. FELDHAKE

MOTION FILED
FEB 16 1989

(6)

No. 88-1099

IN THE

Supreme Court of the United States

OCTOBER TERM, 1988

BV ENGINEERING,

Petitioner,

v.

UNIVERSITY OF CALIFORNIA, LOS ANGELES, (THE REGENTS OF THE UNIVERSITY OF CALIFORNIA),

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

MOTION FOR LEAVE TO FILE BRIEF *AMICUS CURIAE* ON BEHALF OF THE AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION IN SUPPORT OF PETITIONER TOGETHER WITH BRIEF *AMICUS CURIAE*

American Intellectual Property
Law Association
2001 Jefferson Davis Highway
Arlington, Virginia 22202
Jack C. Goldstein, President

By
Jack C. Goldstein
ARNOLD, WHITE & DURKEE
P.O. Box 4433
Houston, Texas 77210
Its Attorney

Of Counsel:
Morton David Goldberg
Robert J. Bernstein
William L. LaFuze

PRESS OF BYRON S. ADAMS, WASHINGTON, D.C. (202) 347-8203

13 pp

IN THE

Supreme Court of the United States

OCTOBER TERM, 1988

No. 88-1099

BV ENGINEERING,

Petitioner,

- v. -

UNIVERSITY OF CALIFORNIA, LOS ANGELES,
(THE REGENTS OF THE UNIVERSITY OF CALIFORNIA),

Respondent.

On Petition For A Writ Of Certiorari To The United States Court of Appeals For The Ninth Circuit

---

MOTION FOR LEAVE TO FILE BRIEF *AMICUS CURIAE* ON BEHALF OF THE AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION IN SUPPORT OF PETITIONER

The American Intellectual Property Law Association (AIPLA) hereby respectfully moves this Court for leave to file a brief in this case as *amicus curiae* in support of Petitioner.* The consent of the attorneys

* AIPLA has filed a virtually identical motion and brief in *Richard Anderson Photography v. Radford University*, No. 88-651, now pending before the Court, which presents the identical issues as are presented here.

for Petitioner has been obtained for the filing of a brief *amicus curiae* by the AIPLA. The consent of the attorneys for the Respondent was requested by the AIPLA but was refused.

The AIPLA constitutes a national bar association of more than 5,600 members, including attorneys whose interest and practice lie in the areas of patent, copyright, trademark, trade secret, and other intellectual property law. Because of the unique expertise of its members and its nonpartisan status, the AIPLA believes that its views on the issues raised by this case, and the implications of those issues, would be of aid to this Court.

Certain issues of national public importance which are raised by this case deeply concern the AIPLA. The decision below jeopardizes the right of copyright owners generally and also the rights of owners of other forms of intellectual property. The decision below seems likely to allow the states free rein to pirate the copyrights and patents they use, as the owners of such intellectual property would be left without a forum in which redress for such piracy could be had. Thus, this case presents a question which has implications far beyond the particular facts now before this Court.

Because the AIPLA believes the case below was wrongly decided and because the case involves an important question which affects owners of intellectual property generally, the AIPLA wishes to join Petitioner in urging this Court to grant a writ of certiorari and review this case on the merits. Consequently, the AIPLA respectfully requests that this Court grant the AIPLA leave to file its brief *amicus curiae* in the form submitted with this motion.

Respectfully submitted,

Jack C. Goldstein, President
American Intellectual Property
Law Association
2001 Jefferson Davis Highway
Arlington, Virginia 22202

By
Jack C. Goldstein
ARNOLD, WHITE & DURKEE
P.O. Box 4433
Houston, Texas 77210
Its Attorney

TABLE OF CONTENTS

	Page
INTEREST OF AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION	2
ARGUMENT	3
CONCLUSION	6

TABLE OF AUTHORITIES

CASES:	Page
Atascadero State Hospital v. Scanlon, 473 U.S. 234 (19850	4
Commonwealth of Pennsylvania v. Union Gas Co., No. 87-1241 (argued October 31, 1988)	4
Compco Corp. v. Day-Brite Lighting, Inc., 376 U.S. 234 (1964)	3,5
Employees v. Missouri Public Health Dept., 411 U.S. 279 (1973)	4
Richard Anderson Photography v. Radford University, No. 88-651	5
Sears, Roebuck & Co. v. Stiffel & Co., 376 U.S. 225 (1964)	3,5
Ex Parte Young, 209 U.S. 123 (1907)	4
CONSTITUTION, STATUTES, REGULATIONS AND RULES:	
Constitution of the United States:	
Article I, Section 8, Clause 8.	3,5
Amendment XI	3,4
17 USC Section 301 (a)	3,5
17 USC Section 501 (b)	4
28 USC Section 1338 (a)	3,5
35 USC Section 281	4

IN THE

Supreme Court of the United States

OCTOBER TERM, 1988

No. 88-1099

BV ENGINEERING,

Petitioner,

- v. -

UNIVERSITY OF CALIFORNIA, LOS ANGELES,
(THE REGENTS OF THE UNIVERSITY OF CALIFORNIA),

Respondent.

On Petition For A Writ Of Certiorari To The United States Court of Appeals For The Ninth Circuit

---

BRIEF OF THE AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION AS *AMICUS CURIAE* IN SUPPORT OF PETITIONER

This *amicus curiae* brief is submitted in support of the petition for a writ of certiorari. Petitioner has consented to the filing of this brief, and respondent has refused such consent. A motion for leave to file this brief has been filed.

INTEREST OF THE *AMICUS*

The American Intellectual Property Law Association (AIPLA) is a national bar association of more than 5,600 members. Its members are attorneys whose interest and practice lie in the areas of patent, copyright, trademark, trade secret, and other intellectual property law.[1] AIPLA's members include attorneys in private practice and those employed by corporations, universities, and government. Unlike many other areas of practice, in which separate and distinct plaintiffs' and defendants' bars exist, most, if not all, intellectual property law attorneys represent both plaintiffs and defendants.

AIPLA is deeply concerned about certain issues of public importance in this case. Specifically, if allowed to stand, the decision below would jeopardize the rights of copyright owners generally and also the rights of owners of other forms of intellectual property, including numerous patents of enormous value that are widely used by state governmental bodies. Simply put, if the decision below stands, states could pirate the copyrights and patents they use—from textbooks to road-paving machines—with impunity.

Because we believe the case below was wrongly decided, because it involves an important question of federal law which has not been, but should be, settled by this Court, and because the interests of intellectual property owners represented by our members would be directly and adversely affected if the decision below is allowed to stand, we join petitioner in urging

---

[1] Prior to 1984, AIPLA was known as the American Patent Law Association.

this Court to grant a writ of certiorari and review this case on the merits.

ARGUMENT

THE EXCLUSIVE JURISDICTION OF THE FEDERAL COURTS OVER COPYRIGHT AND PATENT MATTERS PRECLUDES APPLICATION OF STATE SOVEREIGN IMMUNITY UNDER THE ELEVENTH AMENDMENT

This case presents an important issue not presented in any Eleventh Amendment case previously decided by this Court: Does sovereign immunity under the Eleventh Amendment immunize a state which violates a federal right when: a) there is *exclusive* federal jurisdiction over that right; and b) such immunity would mean that *no* meaningful redress would be available to an aggrieved party for violations of that right in *any* court, state or federal?

The Constitution grants only to Congress, and not to the states, the power to enact uniform copyright and patent statutes. U.S. Const., Art. I, Sec. 8, Cl. 8. Those statutes, and the supremacy doctrine, have made copyright and patent rights exclusively federal in nature. 17 U.S.C. §301(a) (pre-empting state statutory or common law copyright); *Sears, Roebuck & Co. v. Stiffel & Co.*, 376 U.S. 225 (1964); *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964).

Congress, in turn, has granted the federal courts exclusive jurisdiction over copyright and patent cases arising under those statutes. 28 U.S.C. §1338(a).[2]

---

[2] That statute provides:

> The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents,

This Court's prior considerations of Eleventh Amendment immunity involved cases in which an aggrieved party, if deprived of the opportunity for redress in the federal courts, could nevertheless find such redress in state court.[3] Indeed, one of the basic rationales supporting Eleventh Amendment immunity has been that, the state courts being available, the plaintiff, although deprived of access to the federal courts, will not be completely without a forum. *Ex Parte Young*, 209 U.S. 123, 176 (1907) (Harlan, J., dissenting); *Employees v. Missouri Public Health Dept.*, 411 U.S. 279, 287 (majority opinion) and 298 (Marshall, J., concurring in result) (1973); *Atascadero State Hospital v. Scanlon*, 473 U.S. 234, 239-240, n.2 (1985).

But application of Eleventh Amendment immunity, combined with exclusive federal jurisdiction, would deprive copyright and patent owners of any forum to assert their rights. As a result, the Constitutionally-based rights of copyright and patent protection would

---

plant variety protection, copyright, and trademarks. Such jurisdiction shall be exclusive of the courts of the states in patent, plant variety protection and copyright cases.

[3] The only case we find in which exclusive federal jurisdiction has been urged as a factor to deny Eleventh Amendment immunity is pending before this Court: *Commonwealth of Pennsylvania v. Union Gas Co.*, No. 87-1241 (argued October 31, 1988). But even there, as was made clear at oral argument, the state's immunity was, in a sense, only partial: the state remained liable to the United States notwithstanding its immunity to suit by private parties Here, and in all copyright and patent cases instituted by a private party, the immunity, if applicable, would be total, for only the private party—the copyright or patent owner and not the Government—is authorized by statute to bring suit. 17 U.S.C. §501(b); 35 U.S.C. §281.

exist only in theory: there would be no effective remedy for acts of infringement by the states, and the specific, exclusive federal jurisdiction of 28 U.S.C. §1338(a) would be meaningless in such cases. Copyright and patent owners could not be made whole by damage awards for state piracy of their property, and, without that remedy, states would not be motivated to comply with the law and obtain licenses for their uses of that property.

It is no answer to suggest that copyright or patent owners could obtain equivalent redress under other state statutory or common law.[4] The Copyright Act specifically preempts such equivalent state statutory or common law. 17 U.S.C. § 301(a). And the supremacy doctrine does likewise in both the copyright and patent areas. *Sears, Roebuck & Co. v. Stiffel & Co., supra; Compco Corp. v. Day-Brite Lighting Inc., supra.*

The Constitution itself states that the purpose behind the federal copyright and patent laws is to "promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries." U.S. Const., Art. I., Sec. 8, Cl. 8. The decision below, under the guise of the Eleventh Amendment, allows the states to violate these federally-protected rights—it gives them a free, compulsory license, not intended by Congress or the

---

[4] Such a suggestion was made by respondent Radford University in *Richard Anderson Photography v. Radford University*, No. 88-651, Br. in Opp. at 5-6. (That case, for which a petition for certiorari is pending, presents the identical issues presented here.)

Constitution. It thus conflicts with the Constitutional mandate of securing *exclusive*, and exclusively *federal*, rights to authors and inventors.

We respectfully urge this Court to review the decision below, for the reasons set forth herein and those advanced by petitioner, and to consider the important and previously unconsidered question whether sovereign immunity applies when the right at issue is violated by a state but is exclusively within federal jurisdiction.

CONCLUSION

This Court should grant petitioner's request for a writ of certiorari to review the Ninth Circuit's decision.

Respectfully submitted,

Jack C. Goldstein, President
American Intellectual Property
Law Association
2001 Jefferson Davis Highway
Arlington, Virginia 22202

By
Jack C. Goldstein
ARNOLD, WHITE & DURKEE
P.O. Box 4433
Houston, Texas 77210
Its Attorney

Of Counsel:
Morton David Goldberg
Robert J. Bernstein
William L. LaFuze